

THE Hongkong Weekly Press

AND

China Overland Trade Report.

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DEATHS.

On June 19th, at Shanghai, CHARLOTTE BERTHEL.

On June 19th, at Shanghai, ALFREDA BERTHA, aged 33 years, dearly beloved wife of Captain George William Eedy.

Hongkong Weekly Press.

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ARRIVAL OF MAIL.

The English mail of the 28th ultimo, and the parcel mails closed in London for despatch by the all sea route on the 19th May, and for despatch overland on the 26th May, arrived per s.s. *Assaye* on the 23rd instant.

FAR EASTERN NEWS.

It is telegraphed from Vladivostok that the British China Squadron has abandoned its proposed visit to that port on account of the foggy season having set in along the local coast.

The *Japan Chronicle* strongly urges the Japanese Government to institute an inquiry not only into a certain shocking case of barbarous punishment, but into the whole question of the administration of Formosa.

Over 3,000 houses at Kobe were flooded by a rainstorm on the 5th inst.

In connection with the murder of the two Germans in Yunnan province, a Chinese contemporary states that the Minister has lodged a claim for indemnity with the Waiwupu and undertakes to permit no Germans to visit places far away from the jurisdiction of the authorities in China.

A reward of \$1,000 is offered for the arrest of a Cantonese named Ng Pok Tong, who is alleged to have embezzled the sum of \$58,000 from the Lee Yuen Tong Co., Honan Road, Shanghai, during the present month. A Shanghai contemporary says the man has a wife in Canton and a brother in Hongkong.

A Washington telegram says it is announced at the Navy Department that Admiral Seebree's Pacific Coast fleet will make a cruise to the East, with the Philippine waters as its special objective point, in the latter part of the summer. This will include all the vessels of all classes in the command. The itinerary will allow two or three weeks at Manila.

Mr. W. B. Hull, American Assessor at the Mixed Court Shanghai, has been appointed by Mr. Knox, Secretary of State, to take over the judicial duties that have hitherto been performed by the Consul General, in order to relieve that official. The appointment will take effect from July 1. Mr. Hull will continue to act as American Assessor at the Mixed Court.

A new feature in the Shanghai Medical Officer's monthly report is what may be termed a "Dairy Black List", which gives the names of the dairy and dairymen together with the extent of any adulteration, etc., found during the month on examination of samples of milk in the Municipal Laboratory. It is proposed to publish this list each month for the guidance of the public.

Having heard that the foreigners in Shanghai intend to again hold their Annual Regatta at Henli this year, the viceroy of the Liangking provinces has instructed the Shanghai Taotai to request the Senior Consul to prevent them from doing so on the ground that Henli is not an open port, and that the boat traffic there is so great that it may easily lead to a disturbance.

Major Nathan and Miss Evi Detring were married on June 14 at the British Consulate-General, Tientsin, the witnesses being Mr. Detring and Major Falcon, R.E. The religious ceremony took place next afternoon at 4 o'clock at St. Louis Church. In the evening of June 14 Major Nathan was entertained at a dinner at the Astor House by about fifty of his friends. The band of the French infantry regiment played during the dinner, which was excellently served.

Japan papers state with reference to the court-martial held on two petty officers of Admiral Harber's squadron, that it is alleged that the theft was committed on May 31st while the officers of the destroyer were ashore together with those of the other ships in connection with Memorial Day celebration. The two warrant officers concerned, availing themselves of the absence of their officers, landed about 300 *kiwamme* (1 *kiwamme* being about 8 pounds) of brass gun-fittings (valued at ¥2,000 at the English hatoba. After having paid import duty, they sold the articles to three Japanese dealers in old metal. The proceeds amounted to over ¥600.

Rear-Admiral von Ingenohl, second Admiral of the German cruiser squadron, has been ordered to take over the command of the squadron in the Far East.

The *China Times* states that the Commercial Treaty between China and Sweden which was signed last year, but not sanctioned owing to a slight obstacle, was ratified on the 15th inst. The final stage was reached as a result of negotiations between the Chinese Government and Baron Wallenberg, who represents the Swedish Government at the Court of Tokyo as at Peking. Baron Wallenberg came to Peking to assist in the ceremony of the Imperial Funeral, and subsequently succeeded in getting China to concede the disputed point.

Until quite recently the annual expenses of the Peking University were Taels 180,000 approximately, which amount has been reduced to 80,000 since the faculty of that institution discharged all its foreign professors. The director is now placed in the most difficult position, for he has been ordered by the Throne to establish as soon as possible five technical colleges. It has been estimated that in order to carry this scheme into practice a preliminary outlay of Taels 2,500,000 will be required. The director has requested Grand Councillor Chang Chih Tung, the Comptroller-General of the Board of Education, to approach the Board of Finance with a view of inducing the latter to grant the requisite amount.

Japan's foreign trade as a whole for 1908 showed a decrease of 8.7 per cent. in exports, and 8.8 in imports, and the total (£83,427,225) was about equal to the value of the trade in 1905. "The decrease in exports," the *Financial and Economic Annual* says, "was due to the world-wide trade depression in 1908 and the slackness of the export trade to China and America, which are the principal consumers of our products, while the depression of our import trade was owing to a reduction of national consumption and contraction of state and private enterprises." The balance of trade was against Japan by yen 58,011,789. Only once since 1895 has there been an excess of exports over imports. That was in 1906, the balance in favour of Japan being then a little under five million yen.

In commemoration of the establishment of the city of Yokohama fifty years ago, it was decided at a meeting of Japanese and Foreign Residents, held on the 1st June, that Thursday, the 1st of July, should be observed as a holiday throughout the city. To celebrate the event it is proposed to entertain the city's guests, and to hold a festival at a cost not to exceed ¥23,000, of which sum the Yokohama Municipal Assembly will provide ¥3,000. Subscriptions for the balance of ¥20,000 are invited from Japanese and foreign residents of Yokohama. For the purpose of permanently commemorating the establishment of the city, it has been resolved to build a Municipal Hall on the site previously used by the City Office at the corner of Honcho-dori. This hall will be available for the use of residents of Yokohama for public purposes. Subscriptions to the amount of ¥500,000 are solicited to build, equip, and endow the Memorial Hall. The Yokohama Foreign Board of Trade, at the request of the committees appointed to raise funds for the entertainment and the permanent memorial, has consented to receive subscriptions from foreign residents.

SCHOOLBOY "STRIKES."

(Daily Press, 21st June.)

Among the many subjects which the PRINCE REGENT has under his consideration at the present time is a memorial on the subject of the insubordination of the students at the Tongshan Railway and Mining College. Twice, we believe, within the past twelve months, have the students at this College revolted against new regulations introduced by the Directors. On the first occasion one hundred and six students abandoned their studies in consequence of an order curtailing the monthly allowance of students. The Board of Posts and Communications intervened, "rectified" the regulation, and restored peace. Now the majority of the students are on strike again, this time to manifest their disapproval of a new rule aiming at the better classification of the students. By this rule it appears that students who fail to reach a certain standard of efficiency in the annual examination are required to undergo a second examination, and in the event of a student failing a second time he is denied advancement in the school. An Imperial Edict commanded the Board of Education and the Board of Posts and Communications to hold a joint inquiry into the causes of the disturbance at the school, and to recommend such improvements as they deemed to be necessary in the institution. Four recommendations are made in the memorial, but only the last of the four has any bearing upon the subject of the insubordination of the students. The recommendation is "that the school be more strictly administered" and with this object in view it is suggested that "a new set of rules and regulations should be framed, and inspectors sent out periodically by the Board of Education to see that both instructors and students are working to secure the order and welfare of the school." This scarcely solves the question as to how the obedience of students to the school regulations is to be obtained, unless there is in the recommendation a covert suggestion that the regulations should be framed to conciliate the students rather than to promote the efficiency of the school. If we concede that the passion of revolt is in the breast of most school-boys, we must at the same time admit that there are few places in the world where the ability to organise a school strike is so much in evidence as in the Far East. A few years ago these school strikes were not uncommon in Japan, but the Japanese educational authorities seem at last to have got at the root causes of the trouble and applied the necessary corrective. Now that a similar spirit of insubordination is beginning to infect the Chinese youth it is important that the higher authorities should display no weakness in dealing with a tendency so manifestly mischievous and fatal to the efficiency of any educational system. It is not a little remarkable that this tendency should be so pronounced in the Far East. In China, as well as in Japan, the Teacher has held a high place in the social system, and it has been the practice to treat the pedagogue with the utmost respect. "In well-bred China," we are told by a competent authority, "even a Viceroy rises to a teacher as he enters a room." But evidently the times are changing rapidly in this respect in China, and in explanation of the scant respect which is now shown in some of the modern schools it has been said that the teachers are not so worthy of respect as the old type of teacher in China. The exigencies of the situation require the enlistment of the services of young men who have been

educated on modern lines, and whose highest ambition is said to be the attainment of more lucrative posts. It is complained that they do not uphold the traditional dignity of the teacher, and hence they fail to command that respect from the students which makes for the maintenance of discipline. But the *raison* of the schoolboy "strike" may be anything. It may be some sudden psychological umbrage at a member of the teaching staff; or a grievance relating to a new primer; or (as a writer on the subject of Education in Japan has remarked) the class, having made progress in the English alphabet, desires instant introduction to the works of Lord MACAULAY—a course to which the teacher has his public and private objections. But at bottom it is all a question of respect for authority. We never hear of school-boy "strikes" occurring in Hongkong, and the Board of Education at Peking could doubtless obtain from the schoolmasters here some valuable hints as to how to preserve authority in the schools. The schoolboy's contempt for authority may be "but the defect of his zeal and prompt enthusiasm," but it is defect which needs prompt curative treatment alike in the interests of the individual and the school.

CHINA'S "LOST" RIGHTS.

(Daily Press, 22nd June.)

Some short time ago we pointed out the mischief being wrought, not only to Foreign Relations with China, but to China herself, by the recent agitation fomented by the Reactionary Party regarding China's supposed "Lost Rights." As we pointed out, this agitation was all the more dangerous that to a certain extent it had a modicum of reason on its side, and so, with half-informed people who saw but one side of the question, was likely to involve China in trouble all round. The real object of the mischievous agitators who were trying to force the affair to the front was, as we pointed out, to check the good work being done by the progressive party; and bring back China to the helpless position she occupied in the bad old times of a LACKWANG or a HIENFUNG. According to the native press the Waiwupu has been reporting on "losses" of rights complained of, the principal of which are reduced to four; and as all four have grown up under the conditions of the time, and mostly without any intention of intruding rights that had ever been claimed or exercised by China, it is satisfactory to find that the Foreigner is guiltless of any intentional disregard of customary international amenities.

The four complained of are in the order given: *First*, Loss of Judicial Right; *Second*, Loss of Tariff Right; *Third*, Loss of Postal Right; *Fourth*, Loss of Coinage Rights.

With regard to all four, it is worthy of note that they had never been exercised by China, and that so far from being encroached on, their deficiency had all along been complained of by foreign Powers; and was one of the most fertile sources of the difficulties that marked the early periods of foreign intercourse with China. With regard to the first,—the Extra-territorial clauses in the various treaties with China, so far from their being forced on China, or being the outcome of any desire on the part of England and the other European Powers to interfere with the prerogatives of China, were actually introduced at the direct request of China herself, who had long experience of the futility of seeking to control the usages of foreign residents by

her own customary law which had grown up under very different conditions. The Preamble to the first Order in Council relating to British subjects in China shows this distinctly. It is dated December 9th, 1833, and was promulgated while Canton was the only port in China "open" to foreign trade. It proceeds:—

"Whereas the officers of the Chinese Government, resident in or near Canton in the empire of China, have signified to the supracargoes of the East India Company at Canton the desire of that Government that effectual provision should be made by law for the good order of all his Majesty's subjects resorting to Canton, and for the maintenance of peace and due subordination amongst them; and it is expedient that effect should be given to such reasonable demands of the said Chinese Government; now therefore, in pursuance of the said act, and in execution of the powers thereby in his Majesty in Council in that behalf vested, it is hereby ordered, &c."

Such was the occasion of the introduction of the elaborate system of jurisprudence into China known as "Extra-territoriality." Nor was the system itself unknown or unpractised in China. During the great Tang dynasty, which the Chinese themselves acknowledge to have been China's golden age, China was open to the trade of the world, without any external pressure having been placed on her, and the nation that took the largest share in that trade was Arabia. As in later times, Arab trade was centred in Canton, where we find resident many thousands of Mohammedan merchants, and we find these enjoying as in modern times all the benefits of extra-territoriality. The Arab accounts thus describe the position:—"SOLIMAN, the merchant, relates that at Canfu (Canton), which is the principle scale for merchants, there is a Mohammedan appointed Judge over those of his religion by the authority of the Emperor of China, and that he is judge of all the Mohammedans who resort to these parts. The merchants of Irak who trade hither are no ways dissatisfied with his conduct, or his administration in the post he is invested with; because his actions and the judgments he gives are just and equitable, and conformable to the Koran, and according to Mohammedan jurisprudence." Regarding the second there is no less doubt. Foreign nations, complains the Chinese reporter, have their own Tariffs. Now he was exactly one of the prime causes of complaint, leading up finally to war. The Chinese Government had actually no tariff, and, although continually pressed, refused to make any: dues were charged according to the caprice of the collector, and were always matters of bargaining. The tariff was the gift of the foreigner. The Waiwupu surely has an overshort memory regarding the third—the Post Office. At the time of the troubles the Chinese Government had absolutely no post office of any sort, and merchants had to make their own arrangements, native as well as foreign. The establishment of an Imperial Post Office is a thing of only five years ago, and was likewise a gift of the foreigner. Doubtless certain of the foreign Powers, by establishing post offices in China alongside those of the Chinese Government are not acting fairly, but most of these were commenced before China recognised the advantage of starting one of her own.

As if to carry to the point of sublimity the absurdity of the first three propositions, with regard to not one of which had China ever exercised even the most rudimentary control, which could have been interpreted in the light of a national right to be taken from her, the last carries to a climax the demands of the reactionary party in her midst. According to these new-found

advisers, China has "lost" the rights, which as a nation properly belonged to her, of issuing her own national coinage, and having her own monetary currency. As a patent fact, China never at any period of her existence possessed a national currency, nor a national coinage—the nearest approach to such being her issue of copper cash, a thousand of which at the time when grain was cheapest were required to purchase a picul of rice. Such a currency when attempted to be made use of in wholesale transactions at once broke down, owing to its small intrinsic value preventing its carriage from one market to another. Merchants and banks had to step in, and silver bullion, at first merely an article of barter, came to be elevated into a quasi currency; but the one thing assiduously avoided in this substitute currency was any government mark as a signal of its issue under imperial authority. The national government was, in fact, of all other things the most to be dreaded, as dearly bought experience had long taught the nation.

In fact, for upwards of two centuries foreign merchants trading with China have been unanimous—perhaps the only thing in which they have ever been unanimous—in pressing on China the advisability in her own, no less than their, interests of issuing a regular coinage on whose purity and weight the merchants and people could depend. It was thus that in all past ages foreign coins have found favourable acceptance in China, and the only compulsion ever used was the untrustworthy nature of her own issue. Yet this did not proceed from ignorance. So long ago as the time of HAN WU-TI, when China of her own accord opened up to trade the whole of Western Asia, the superiority of the foreign coinage of the old Greek Kingdoms was a subject of admiration. Each coin, says the old historian bore on its face the image of the reigning monarch, which was changed at his death. The contrast between this money and the, even then, debased money of China was a common subject of remark. At various times reformers have urged on the Government of China the strong advisability of reforming its currency, and at times China has listened and eagerly grasped the idea. But the end has always been the same. Without sufficient intelligence to grasp the subject, the Government has from time to time taken in hand the issue of coins; but with that perversion of right that clings through the centuries to Chinese governmental measures, no sooner has a successful issue been made than the process of debasement again sets in; until, as in the case of the iron cash issue of HIENFUNG, the Government coins have become actually worthless, and by an offended people have been thrown out in the streets, for any one to pick up. It cannot be pleaded that in the present day affairs have in any manner changed for the better, as the recent issue of ten cent pieces, urged by Peking as a matter of financial reform, goes to prove. The ill-faith of the Government has in this case so far reflected on itself, that it now perforce has to stand by while it sees its example followed by the provincial banks in the unrestricted issue of bank notes, already becoming a drug on the market. We have not space to go into the interesting story of how for nearly a century the Spanish pillar dollar came practically to be the currency of China. We are, however, quite justified in pointing out that the only compulsion exercised in the matter was the innate badness of the pretended currency of China, which drove her merchants and people to adopt as their own the coinage of a foreign country; which, however, possessed

the cardinal virtue wanting with the Chinese issues of being genuine, and representing their full face value.

It is thus that China has "lost the sovereign rights" which she never was able to grasp, of her judiciary, her tariffs, her postal service, and last but not least of her currency and coinage. So soon as the Government has taken to heart the old proverb that "honesty is the best policy," so soon China will discover that there is no need of foolish protests, and that without any exertions on her part the "sovereign rights" will come back of their own accord, nor need any pressure from the party of the reactionaries.

MACAO HARBOUR.

(Daily Press, 23 June.)

So often during the past thirty years have the people of Macao been told that the Government at Lisbon has approved an appropriation for the dredging of the harbour, and then left the local Government with absolutely no funds for the work, that very little serious notice appears to have been taken in the Colony of the recent news that the Home Government has voted for this purpose eighty-nine contos, equivalent to about \$180,000 Mexican. Where, it is asked, is this money to come from? The news reached the Colony by cable, and it is generally supposed that the meaning of the announcement is not that the Home Government will contribute this sum, but that it has simply approved the expenditure out of the funds of the Colonial Treasury, which, as everybody knows, is in a sadly depleted condition. However, His Excellency the Governor apparently lost no time in taking steps to start the work as soon as the sanction of the Home authorities was received. An official was dispatched to Kobe, to buy a dredger, and he has now returned with a dredging implement which our correspondent describes as "a grab." As the cost of it is stated to be only \$10,000, we can recognise it as something very inadequate for the purposes of the undertaking. Indeed, the entire appropriation for harbour works is not more than enough to purchase a suitable dredger at second hand. When the Hong-kong Government, about eighteen months ago, wanted a dredger to prepare the site of the new typhoon shelter at Mongkoktsui, they acquired one from the contractors for the Naval Extension Works for \$170,000, and considered that they had made a good bargain, as the dredger cost originally about twice that sum. Even were there no doubt about the \$180,000 for the work at Macao being forthcoming, it is only necessary to mention the cost of dredgers to indicate what justification exists for the belief expressed by our Macao correspondent that "no serious progress is possible with this work unless the Government entrusts it to a competent foreign firm or a responsible public company. Then we may have some confidence in this much-needed improvement being effected. But, as it is, the purchase of a ten-thousand dollar 'grab' is simply throwing dust in the eyes of the public." It can hardly be pleaded that the Portuguese authorities at Lisbon are ignorant of the character of the work which needs to be done. Nearly thirty years ago an engineer was sent out "to report on the works necessary not only for the improvement of the harbour of Macao, but also to prevent the continuous silting up which renders access to the harbour difficult and deteriorates the anchorage." The engineer submitted a report of 140 pages, in which he graphically described the deplorable condition of the

port and indicated the works necessary to remedy the evil. But nothing was done to give effect to his recommendations. Other engineers have been sent out from time to time and made similar reports. The community by public petition has more than once earnestly appealed to the Government at Lisbon to authorise the purchase of dredgers by the Colonial Government out of the Colonial revenue. But the policy has been to drain the Colony of all its surplus revenue either for the benefit of Timor or to augment the revenue of the Home Government; and now that Macao has no surpluses to deal with the authorisation has come for an expenditure of \$180,000 on harbour improvements. The provision of the money may not now be the only difficulty. Had the undertaking been commenced years ago, no obstacle would have presented itself, but now that Young China is clamouring for the recovery of "lost sovereign rights," it will probably be found that even if funds are available, political difficulties are not unlikely to arise. It is an open secret that the Chinese authorities do not view with complacency the claim of the Portuguese to exercise entire control over the inner harbour of Macao, and possibly something may be heard on this subject now that the Delimitation Commissioners are about to meet to discuss the vexed question of the boundaries of the Colony. Perhaps when these matters are finally settled we may hope to see a more serious attempt made to improve the harbour, but we very much fear that the undertaking is now beyond the financial resources of the Colony.

THE FRENCH POSTAL STRIKE.

(Daily Press, June 24th)

The upshot of the Postal strike which recently occurred in Paris, and which attracted so much attention at the time, is worthy of study as showing that whatever inconvenience such movements may occasion, they are not altogether of so serious a character as might upon general considerations be imagined. That the whole telegraph system, not merely of France, but of the world, should be put out of gear even for a single day would seem so grave a matter that it can scarcely be imagined that such an event could be allowed to be possible in any civilized country, or that it could occur without results that would be of the most far-reaching character. And yet the event has actually occurred, and in the course of few days the whole matter was at end and things had resumed their normal course. The feeling of most people when the news was first received was that law and order were at an end in France and that the country had fallen entirely into the hands of irresponsible associations, and might before long be in that of the mob. More or less this really seemed to be the state of affairs; and the Head of the Postal Department did not fail so to represent it when speaking in the Assembly. It appeared beyond doubt that there had been errors of administration which gave just cause for discontent to the employees—among them a considerable amount of favouritism in appointments and promotions—but it was forcibly and justly observed that any such shortcomings could not be considered sufficient ground for the adoption of so extreme a step as combining to disorganise a public service upon which the whole of the commercial and private interests and even the very safety of the country depended. The feeling in the Assembly was so strong that the Govern-

ment found themselves able to show a firmer front than they had before displayed, and while making it manifest that they were not unwilling to listen to any fair statement of grievances, and to apply such remedies as might be reasonable, they let it be known that they were prepared to act firmly in the public interests and to take such steps as might be necessary for the restoration of order. This being once realised, it became possible to bring the strikers to reason and the trouble was adjusted in a far shorter time than appeared at first likely; while an attempt on the part of the one of the International Labour Association leaders to foment further disturbance was followed by his prompt arrest. This was so far satisfactory, but it still leaves an uncomfortable feeling that the public Services are dangerously in the hands of demagogues, and that there is little security against a recurrence of a similar strike either in France or elsewhere. At the same time there is, in the history of this matter, some encouragement to those who look with justifiable aversion upon anything in the form of a breach of public order, in one consideration. No doubt the adoption of a firmer attitude by the French Government had its influence in bringing the strike to an end; but there were also other causes of a more permanent and reliable character which tended to this result. There could not fail to be the idea among the strikers that though the Government might (like anyone else when driven into a corner) be inclined to deal leniently so as to get over the immediate difficulty, it would not be very long before the Authorities would have matters again in hand, when in one way and another those who had brought about the disorder and who persisted in maintaining it would, after all, come off second best, and might run the risk of losing their employment altogether. Not only this, but it would very soon become apparent to those who had joined in the movement that the labour associations could not long support them, and that, after all, the weapon they had launched was something of a boomerang and was apt to recoil upon those who had launched it. In most strikes it is found that though the labour associations can get up sufficient enthusiasm to start a strike, it is extremely difficult to keep it going on anything like a large scale after it has been put in force. Exactly the same state of things became apparent in a strike of a much less serious character, but still of the same nature, which was worked up among the employees of the Government Railways in the Colony of Natal. They caused a great deal of trouble for a few days, but gave in when they found the result of holding out longer would be that a number of them would lose their employment altogether. This is a contingency which in one form or another must always face those who are employed by Government either in the Post Office or on Government Railways, and it affords at least some security against capricious and unwarranted striking. This bearing of the subject cannot fail as time goes on to become apparent to the men themselves, who will then find some better means of seeking redress than resorting to measures which may cause a unjustifiable injury or even danger to the public, but are certain in the end to damage the strikers themselves.

Gambling at the Alhambra, Shanghai, has been stopped. The reason why the proprietors resolved to comply with the insistent agitation that has been carried on, has not been officially divulged; but it is stated that the closing of the gambling saloon was in compliance with orders from Peking.

THE BOYCOTT IN CHINA

(Daily Press, June 25th.)

Japan's trade with China last year is known to have suffered rather severely on account of the boycott instituted at Canton against Japanese products by way of retaliation for what the Chinese regarded as the humiliation of their Government by Japan in demanding an apology and an indemnity of \$170,000 yen for the seizure of the steamer "Tatsu-maru" by Chinese gunboats near Macao with a consignment of arms which it was alleged were to be smuggled into China. The boycott movement initiated in Canton was reported to have spread to every trading centre in all ports of the world where Chinese merchants are settled. The Japanese press has from time to time told its readers of the very large sums which the Japanese steamship companies have suffered from loss of passenger traffic as a result of the boycott; but to get any approximate idea of the total effect of the boycott on the general trade between the two countries has not been possible until now. The Japanese Finance Department has just issued its "Financial and Economic Annual" and from this very valuable compilation we are able to ascertain that Japan's exports to China in 1908 were about 25 per cent. less than in 1907; while her imports from China showed a falling off equal to about six per cent. The total value of Japan's exports to China in 1908 was yen 77,745,792 showing a decline of yen 28,264,124 compared with the returns for 1907; while Japan's imports from China stood in 1908 at yen 63,783,961, which is less than the 1907 figure by yen 4,209,083. Together, then a drop of over thirty-two million yen is shown in Japan's trade with China in 1908 compared with the returns for 1907. But these figures do not include the trade with Hongkong. There are tables in the "Financial and Economic Annual" which show the value of the trade with the various countries of the world from 1895 down to 1908, and we observe that since 1895 the export of Japanese commodities to Hongkong has never been as low as it was in 1908, when it showed a decline of six million yen compared with the returns of 1907, and nine million yen compared with the figures for 1906. Imports from Hongkong, however, showed substantial improvement, their value being set down as yen 1,115,530 compared with yen 820,610 in 1907. Adding the net decline of trade with Hongkong to that of China we get a total drop in 1908 of about thirty-eight million yen. It is not possible, however, to set it down to the boycott entirely. There is, in fact, no mention of the word "Boycott" in the official review of economic conditions, which merely states that "about March or April our exports to South China suffered generally from dulness of trade" (the boycott started in March), and coming to the month of August we are told that "the depreciation of silver still went on and the trade with China remained inactive." But we can safely attribute the bulk of the loss of trade with China to the "boycott," which does not appear to be at an end yet. Though the Chinese papers have of late made no reference to the subject, we have it on the authority of a leading Japanese paper that "there is no sign whatever of a more placable mood towards Japan on the part of the southern Chinese." From Melbourne to Yokohama, it says, the boycott of Japanese vessels is practically effective. "Under the Japanese flag no Chinaman will walk the deck or ship his goods," and our contemporary, the *Asahi Shimbun*, estimates the loss

at over a million yen annually—on the Australian line alone presumably. The *Asahi* comes to the conclusion that remonstrances to Peking only accentuate the situation, as the Cantonese are habitually hostile to the Manchu dynasty, and it suggests that the southern Chinese may be placated by (1) Japan's recognition of China's title to Pratas Island; (2) not only must all claim for compensation to Mr. NISHIZAWA be foregone, but also an indemnity must be paid to China on account of the guano and phosphates hitherto removed from the Island; and (3) Japan must agree to waive the *Tatsu Maru* indemnity of 170,000 yen, which has not yet been paid by China. All these things the *Asahi* regards as trifles compared with the heavy and continuous loss which the boycott represents. For a paper of the *Asahi's* standing in Japan, this is a remarkable change of front, but, after all, the gulf between these proposals and the present attitude of the Japanese Government does not seem a wide one. The neglect of the Government for fifteen months to obtain from China the indemnity she agreed to pay for the seizure of the "Tatsu-maru" would seem to indicate that Japan is satisfied with the mere promise to pay. As regards Pratas Island, Japan has never claimed that the island belongs to herself, but has simply hesitated to acknowledge China's right to oust Japanese subjects from the island until China furnishes conclusive proof of ownership. When that is done it is possible that Japan may be prepared to waive the claim for disturbance, but it is unlikely, we think, that Japan will feel disposed to offer an indemnity for the guano removed from the island before the protest was made by China. The Pratas Island Question seems some way from settlement yet, but it is by no means improbable that when the basis of a settlement is reached Japan, especially if supported by the public Press, will make an effort to include in it some pacificatory arrangement which will end the boycott and restore normal conditions of trade between the two countries.

RANDOM REFLECTIONS.

Apparently we haven't reached the last word on the Opium Question yet. Thousands of words were scattered in the Legislative Council on Thursday, and when gathered in the *Press* they ran to columns of solid type, which made the butterfly reader shudder and turn to another page. The burden of all the critical speeches on Thursday was what significance is to be attached to the word "substantial," and do other people give the same meaning that we do? The ordinary man would say that *substantial* indicates something large or solid, and if he refer to the dictionary he will find quite a number of definitions given, none of which, however, should prove embarrassing. For instance, Webster's first series of definitions are substantial—belonging to substance, actually existing, real. The next lot will suit us better. These include—not seeming or imaginary; not illusive; real, solid, true, veritable. There are three other lists given, but I think the two will be enough to go on with.

We all hope, of course, that the Imperial Government's grant-in-aid will not be imaginary or illusive, but something real, solid, true and veritable; something substantial. The point is whether it will come up to our expectations or not. And probably we shall not be disappointed if we make up our minds not to be disappointed. The philosophy may not be acceptable to some. It may be that the great Roman Marcus Aurelius talked in some such manner, but I give you the philosophy as my own and ask you to make it yours. It will work all right.

I could not help reflecting on the very different audiences which were seen in the

Theatre last week-end. The operatic performance attracted those with claims to refinement, the boxing contests drew a less pretentious body, and the Sunday night meeting appealed to quite a different class. It would be offensive perhaps to indicate the differences which distinguished the three gatherings, but one feature which the first two would share in common was interest in the whereabouts of the bar. The other was supposed to have its thoughts centred on less mundane things. You can imagine then what a shock some of the good folks received on entering the building to be confronted with the notice "This way to the bar." Somebody must have been careless. Or was he a joker?

The Retrenchment Committee seems to be retrenching with a vengeance, if report be true. A few weeks ago I commented on what I thought was the mistaken policy of reducing the numbers of the police force. Now I am informed that the medical staff is also to be retrenched. It is stated that the two bacteriological appointments held by Drs. Hunter and Heanley will be abolished, and also that the medical officer for the New Territory when his agreement expires in October will have to seek fresh fields and pasture new. Surely this is zeal without discretion. It is too much to believe that the Government can seriously contemplate a large area of something like 280 square miles being left without a medical officer. That post, I know, has been no sinecure.

I have always understood there was a certain association between moustaches and love, but it was news to me to learn that the growth on the upper lip, or the absence of it, could lend itself to such classification as that adopted by a Berlin authority. He says "If a good-looking young man, suddenly grows a wild and bushy beard, be sure he loves a woman who cares most for domestic joys. That is why one sees more full beards in Germany than anywhere else. If another man appears unexpectedly wearing a small upturned moustache of melancholy aspect, he surely loves a woman who adores classic art. But if a man, formerly famed for his beauty because of his beard, should appear clean-shaven, he has been captured by an American lady. If he wears a toothbrush moustache, which doesn't become him at all, he either admires an Englishwoman or a woman who dotes on everything English."

The Chinese have not much to learn now from the Western world. They have telephones, telegraphs, railways and taxes. They have, to use the Americanism, canned meat, and now they are going in strongly for canned music. Gramophones, I read, are increasing in popularity. The Chinese do not purchase the higher priced instruments, but demand cheap machines. They are not as particular as the foreigners, and do not mind the scratching so long as the machine is loud enough. The scratch in playing is also, to some extent, lost in the Chinese music. The head agency at Shanghai has eight or ten Chinese salesmen continually in the field and every detail of the trade is being carefully watched. For instance, it was found that the black horn, which was suitable for the home, trade did not appeal to the Chinese eye. The company has now placed bright red and yellow horns on their machines, and they are very popular. The record-making is most expensive and is very carefully undertaken. The most famous Chinese bands and palace singers are being engaged to make records. They are being brought from all parts of the empire to the three record-making centres—Peking, Shanghai and Hongkong. Here the apparatus for making the master records is set up and the recording done under the direction of the expert. The Chinese do not care for foreign records, except for laughing songs and selections with the bugle and drum.

Some little time ago I referred to the system of painless dentistry practised by the Chinese, and asked for further information on the subject. Only the other day I read in a book entitled "Chinese Sketches," published over thirty years ago, an account of a man suffering from toothache having the offending molar removed in a most remarkable manner. "The doctor took a small phial from his stock of

medicines and into the palm of his hand he shook a few scruples of a pink coloured powder. He next licked his finger and dipped it into the powder, and inserting this into the man's mouth, rubbed it on the acting tooth and gum. He repeated this three or four times and then concluded by turning the patient's head upside down; when to the no small astonishment of many of the bystanders the tooth dropped out and fell on the ground." The operation seemed to be painless, and there was not the slightest effusion of blood from the mouth. This naturally suggests that a visit to the dentist in China is not invested with so much terror as in other lands.

The Hon. Mr. Hewett is concerned with the gradual whittling down of the powers of the Sanitary Board, but unexpectedly he was not supported by his unofficial colleagues, and "the voice crying in the wilderness" seemed to have little influence on the stern official phalanx who probably regard the Sanitary Board as a questioning babe which should be answered not so much by way of giving information but by way of shutting its mouth.

RODERICK RANDOM.

HONGKONG.

Police Constable Conlan from Yaumati Police Station died at the Government Civil Hospital on Monday night, and was buried at Happy Valley on Tuesday afternoon, a large number of his comrades in the force attending the funeral.

A theft which borders on sacrilege was reported to the police on June 21. Miss Storr, the superintendent of the Victoria Girls' School, sent information to police headquarters that the bell was stolen from the spire of the chapel connected with the school, sometime between the 14th and 20th instant.

A pleasant little gathering took place at the residence of the Japanese Consul (Mr. Funatsu) on Monday night when representatives of the local press and leading Japanese citizens were invited to meet Mr. Fujimura, the manager of the "Independent News Agency" of Tokyo.

The weekly plague return shows that there were 16 cases and 13 deaths in the Colony last week. Of the cases 13 were Chinese, 1 Indian and 1 Japanese. Eleven of the cases were in districts other than the City of Victoria. The only other communicable disease notified last week was one fatal Chinese case of smallpox.

The first typhoon warning of the season was given in Hongkong Monday evening, the black cone, point downwards, being hoisted about half-past six, indicating a typhoon within 300 miles south of the Colony. As soon as the signal was hoisted all the small craft made for shelter at Causeway Bay.

General Joachim Machado and Senhor Cinatti, Commissioners for Portugal to settle with China the delimitation of the Macao boundaries, were received on arrival on June 23 by Senhor J. J. Leiria, Consul-General for Portugal and Brazil, in Hongkong, who escorted them ashore to the rooms provided for their accommodation in Glenealy.

We understand the following official changes are impending:—Mr. J. H. Kemp to succeed Mr. A. Seth (retiring) as Registrar of the Supreme Court; Mr. F. A. Hazeland to succeed Mr. Kemp as first Police Magistrate; Mr. J. R. Wood to succeed Mr. Hazeland as second Magistrate; Mr. G. N. Orme to succeed Mr. Wood as deputy registrar and appraiser at the Supreme Court; Mr. E. D. C. Wolfe to assume the post of Head of the Sanitary Department; and Mr. R. O. Hutchison to succeed to the post of assistant Registrar-General.

At the Magistracy on the 22nd instant before Mr. J. H. Kemp sitting as coroner, and a jury, an inquiry was held into the circumstances of the deaths of two Chinese girls who succumbed to opium poisoning at Kowloon City between the 14th and 17th inst. The medical officer in charge of the mortuary, deposed that the cause of death in the case of the elder girl was due to concussion of the brain, while in the case of the younger death was caused by opium poisoning. A verdict was returned in accordance with the medical evidence.

Mr. G. Haffe, a clerk in the employ of Messrs. Heuser, Eberius and Co., fell from the back verandah of the top floor of the German Club on Tuesday morning and met with instantaneous death.

His Excellency the Governor has been pleased to appoint the Hon. Mr. A. M. Thomson to act as Colonial Secretary, and Mr. C. McI. Messer to act as Colonial Treasurer and Collector of Stamp Revenue in addition to his duties as Postmaster-General during the absence on leave of the Hon. Mr. F. H. May, or until further notice.

Two natives appeared before Mr. J. H. Kemp on a charge of snatching an earring from a Chinese woman in Queen's Road Central. When the woman felt the ornament tugged from her ear she turned in time to see a man running away, and promptly raised cries of "stop thief." A lukong appeared on the scene and the man was captured, and as the policeman secured him he threw the ring away. The thief, who was captured redhanded, was sentenced to six months' imprisonment, six hours' stocks and two whippings of twelve strokes each. The other man was discharged.

THE PORTUGUESE COMMISSIONERS.

General Joachim Machado and Senhor Cinatti, the Portuguese Commissioners to settle with China the delimitation of the Macao boundaries, were entertained to dinner at the Hongkong Hotel on Wednesday night by Consul-General Leiria. On Wednesday afternoon they visited the Portuguese cruiser *Patria*.

Captain Ferreira Marques has been deputed by the Governor of Macao to be in attendance on the General during his stay in Hongkong. The Commissioners proceed to Macao to-morrow by the *Patria*.

General Machado and Senhor Cinatti, and their suite dine with H. E. Sir Frederick Lugard this evening.

The following have also been invited to dine at Government House:—Colonel Darling, Sir Henry Berkeley, K.C., Mr. J. P. Braga, Comm and Mrs. Leiria, Mr. A. M. Thomson, Mrs. and the Misses Loureiro, Mr. and Mrs. F. Browne, Dr. and Mrs. Bell, Mr. B. Tanner, Mr. and Mrs. Brewin, Dy. Insp. Surgeon General and Mrs. Tait, Lt. Comdr. Bridgeman, Captain St. Clair, Captain and Miss Armstrong, Captain, Mrs. and Miss. Sayer, Mr. J. H. de Reus, Consul-General for the Netherlands, Mr. C. E. Anton, Mr. R. D. Atkinson, Rev. and Mrs. Hewitt, Mr. Lensman, Mr. W. J. Daniel, Mr. and Mrs. Webb, Mr. J. Paterson, Mr. A. G. Gordon, Mr. and Mrs. Scott Harston, Dr. Black, Mr. Eldon Potter, Mr. E. Owen, and Mr. H. G. Calthrop.

SMUGGLING OPIUM.

Lance-Sergeant Edwards placed a native, who was arrested on board the s.s. *Tean* with 100 taels of opium in his possession, before Mr. F. A. Hazeland at the Magistracy on June 24. It transpired during the hearing of the evidence that the defendant had attached to the box containing the opium a forgery of the opium farmer's mark, and that he intended to smuggle the drug into Manila. His Worship imposed a fine of \$500, the alternative being three months' imprisonment.

In another case heard before the same Magistrate, a long robed gentleman from the north was the defendant. As he was proceeding ashore from the Canton steamer *Heungshan* on Wednesday night he was detained while excise officers inspected his box. Four rolls of silver dollars were discovered, and another roll which was a fac-simile of these four. On the paper being removed from this latter roll it was found to be a long tin containing four taels of prepared opium. The man was arrested, and on being taken to the police station paid \$200 to bail himself out. When he appeared before his Worship yesterday, he denied that the opium had been found in his box, but the magistrate found that it had, and imposed a fine of \$136, in default six weeks' hard labour.

HONGKONG LEGISLATIVE COUNCIL.

A meeting of the Hongkong Legislative Council was held on June 24th in the Council Chamber.

The following were present:—

HIS EXCELLENCY THE GOVERNOR, SIR FREDERICK JOHN DEALTRY LUGARD, K.C.M.G., C.B., D.S.O.

Hon. Mr. A. M. THOMSON (Acting Colonial Secretary).

Sir HENRY BERKELEY, K.C. (Acting Attorney-General).

Hon. Mr. C. M. L. MESSE (Colonial Treasurer).

Hon. Mr. P. N. H. JONES (Acting Director of Public Works).

Hon. Mr. A. W. BREWIN (Registrar-General).

Hon. Mr. F. J. BADELEY (Capt. Superintendent of Police).

Hon. Dr. H. KAI, K.C., C.M.G.

Hon. Mr. E. A. HEWETT.

Hon. Mr. E. OSBORNE.

Hon. Mr. W. J. GRESSON.

Hon. Mr. MURRAY STEWART.

Hon. Mr. WEI YUK, C.M.G.

Mr. C. LEMENTI (Clerk of Councils).

MINUTES.

The minutes of the last meeting were read and confirmed.

PAPERS.

The COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table the report of the assessment of the Colony for the year 1909-1910; and the report of the Harbour Master for the year 1908.

FINANCIAL MINUTES.

The COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table Financial Minute No. 28, and moved that it be referred to the Finance Committee.

The COLONIAL TREASURER seconded, and the motion was agreed to.

FINANCIAL.

The COLONIAL SECRETARY, by command of His Excellency the Governor, brought up the Report of the Finance Committee (No. 7) and moved its adoption.

The COLONIAL TREASURER seconded, and the motion was agreed to.

STAMP ORDINANCE AMENDMENT.

The ATTORNEY-GENERAL moved the first reading of a Bill entitled An Ordinance to amend The Stamp Ordinance 1901 as amended by The Stamp (Amendment) Ordinance 1902.

The COLONIAL SECRETARY seconded and the motion was agreed to.

PRISON AMENDMENT ORDINANCE.

The ATTORNEY-GENERAL moved the Second reading of the Bill entitled An Ordinance to amend The Prison Ordinance 1899. In doing so he said The object of this Ordinance is to make it an offence for an officer of the prison to give a prisoner any article which by the rules of the prison he is forbidden. The Prison Ordinance at the present time is defective in that respect.

The COLONIAL SECRETARY seconded and the motion was agreed to.

Council then resolved itself into a committee of the whole Council to consider the bill clause by clause.

On resuming.

The ATTORNEY-GENERAL reported that the bill had passed through committee without amendment and asked the Council to consent to a suspension of the rule and to allow the bill to be read a third time, as it was very expedient that the Ordinance should be amended in this respect as soon as possible.

The Bill was then read a third time and passed.

TRAMWAYS ORDINANCE AMENDMENT.

The ATTORNEY-GENERAL moved the second reading of the Bill entitled An Ordinance to amend The Tramways Ordinance 1883. In doing so he said The object of this bill, as stated in the memorandum, is to compel persons who travel by trams to give up their tickets when requested to do so by officials or to pay their fare from the place whence they started. There is a clause in the bill which empowers officials to arrest any person who declines to show his ticket or to pay his fare.

The COLONIAL SECRETARY seconded and the motion was agreed to.

Council then went into committee to consider the bill clause by clause.

On resuming.

The ATTORNEY-GENERAL reported that the bill had passed the committee stage without amendments, and moved that the bill be read a third time.

The COLONIAL SECRETARY seconded and the bill was read a third time and passed.

TRANSFER OF OFFICERS ORDINANCE.

The ATTORNEY-GENERAL moved that Council should go into Committee on the bill entitled An Ordinance to transfer to certain Officers of the Public Service certain duties at present performed by other Officers.

The COLONIAL SECRETARY seconded and the motion was agreed to.

The ATTORNEY-GENERAL—We left clause 6 over for further consideration, and I now propose to strike it out altogether because the transfer it has been proposed to effect by clause 6 can be effected under the provisions of the existing ordinance.

Council then resumed, and the ATTORNEY-GENERAL reported that the bill had passed through committee with a slight amendment. He moved the third reading of the bill.

The COLONIAL SECRETARY seconded and the bill was read a third time and passed.

PATENTS ORDINANCE AMENDMENT.

The ATTORNEY-GENERAL moved the postponement in the committee stage of an Ordinance to amend the Patents Ordinance 1892. The Bill had, he said, been sent to the Law Society for consideration and such observations as they may desire to make.

The COLONIAL SECRETARY seconded and the motion was agreed to.

PREPARED OPIUM ORDINANCE AMENDMENT.

The ATTORNEY-GENERAL—I move that Council resolve itself into committee of the whole Council for further consideration of the bill entitled an Ordinance to amend the Prepared Opium Ordinance 1891.

HIS EXCELLENCY—We have got as far as the end of section 2.

On clause 11.

The ATTORNEY-GENERAL said—There are one or two verbal alterations. In sub-section 8 I propose to insert the word "European" before the word "officers" in the third line so that it shall read "such other European officers to inspect the farm."

Hon. Mr. HEWETT—Wouldn't the word Occidental be better than the word European?

The ATTORNEY-GENERAL—The word European is always used even in speaking of Americans. Americans came from Europe and in that sense the Americans are Europeans.

Hon. Mr. HEWETT—A citizen of the United States of America might not be a European. He might be an Occidental. It seems that Occidental is a better word and has the same meaning as European. You might have a man from Canada who would not be a European although he was a Canadian.

The COLONIAL SECRETARY—He would certainly be a European. Any boy born of European parents here is not a Chinese. We are dealing with race of descent.

HIS EXCELLENCY—All these sub-sections are taken verbatim from the Straits Ordinance. The Straits Ordinance does not contain the word European, but the Farmer asked us to put that word in.

Hon. Mr. HEWETT—Say non-Asiatic. You might appoint an Australian. You may have Australians, New Zealanders or South Africans in the Government service at the present moment. They surely could not come under the heading of Europeans.

HIS EXCELLENCY—Do you wish to propose an amendment?

Hon. Mr. HEWETT—No, I simply wanted to raise the question as to whether the word European was comprehensive enough or not.

The ATTORNEY-GENERAL—It is not absolutely comprehensive, but it is the most comprehensive word I could get.

Hon. Mr. OSBORNE—There are very few European officers who can read Chinese books.

The COLONIAL SECRETARY—I am afraid my friend does not understand the system under which this colony is run. Europeans do not read the books themselves, but they know enough to superintend the reading of books.

The ATTORNEY-GENERAL Clause 9 demands that the Farmer shall from time to time produce

for inspection his books. He has asked that the word European should be inserted.

Hon. Mr. OSBORNE—I take it that if you want to see the Opium Farmer's books to find out what profit he makes you will want a capable officer.

HIS EXCELLENCY—If necessity should arise for inspecting the Farmer's books the Government will appoint an officer capable of doing it. If the word European were not put in the Farmer thought that his books might be inspected at any time by Chinese who might give away particulars.

Hon. Mr. OSBORNE It takes an expert to understand books kept in the European way. It would want a very expert man to understand Chinese books.

HIS EXCELLENCY—What would you propose? If you don't put the word European in it may deteriorate the value of the farm, through the fear of Chinese inspecting the books and giving away information.

Hon. Mr. HEWETT I think we may assume that the Government will always have one official of European origin capable of understanding Chinese books.

The COLONIAL SECRETARY—I should say we have six.

Hon. Mr. HEWETT—I was putting it at a minimum.

The ATTORNEY-GENERAL—The object of this alteration is to inspire confidence on the part of tenderers for the next farm.

On clause 15,

The ATTORNEY-GENERAL said—I propose, Sir to substitute for sub-section 3 a clause more fully setting out what is to be prescribed and I would ask that the clause as printed be deleted and the following substituted—To prescribe the keeping of such books and registers and the making of such returns by the Opium Farmer or dross farmer as may be considered necessary or desirable to permit of thorough investigation being made by the Government of the manner in which the farm business is conducted and the profits or losses derived therefrom.

HIS EXCELLENCY—The section as it stands is verbatim with the present section of the Straits Ordinance.

The ATTORNEY-GENERAL—This, sir, has been amplified at the request of the Farmer.

Hon. Mr. OSBORNE—Is there any penalty attached to the keeping of false accounts by the Opium Farmer?

The ATTORNEY-GENERAL—There is a general penalty for breach of the provisions of the Ordinance.

Hon. Mr. OSBORNE—That is not to convey that the Farmer shall keep correct accounts. The clause simply says he shall keep accounts.

The ATTORNEY-GENERAL—The Governor in Council makes rules for the keeping of accounts.

Hon. Mr. OSBORNE—And the method of accounts. Is that covered?

HIS EXCELLENCY, reading from the rules—"The Farmer shall for the information of the Government keep such books and make such returns, etc."

Hon. Mr. OSBORNE—The whole object of looking at the Farmer's accounts is to see what profit he makes.

The ATTORNEY-GENERAL—Of loss.

Hon. Mr. OSBORNE—If there is ever a loss. Therefore it is to his interest to hoodwink the European officer who goes there to examine his books, and if it is to his interest he will certainly do it.

The COLONIAL SECRETARY—Some European companies do that.

Hon. Mr. GRESSON—Chinese keep two sets of books at any rate.

Hon. Mr. HEWETT—The man is under contract with the Government and surely if he cooks his books he is liable to the ordinary results of a criminal act.

The COLONIAL SECRETARY—This law is part of his contract.

Hon. Mr. HEWETT—And if he breaks it by falsifying his books he is liable to the criminal law of the colony.

The ATTORNEY-GENERAL—When the time comes the wording of the regulation will be such as to ensure that the books will be kept correctly.

On clause 17,

Hon. Mr. M. STEWART:—I move the following amendment to this Clause—the insertion after the word "forthwith" of these words—

"Section 10 shall not come into operation until it has been approved by a resolution of the Legislative Council subsequent to the passing of the Appropriation Bill for 1910." I beg the Government to consider whether this suggestion does not offer a reasonable means of compromise between the unofficial and official positions in this matter. The official position I take to be this. Until tenders for the new farm have been received it is impossible to ascertain the direct loss to revenue due to closing the divans in March next. Until this direct loss has thus been ascertained it is impossible to approach the Home Authorities with a request more narrowly to define the promised contribution towards it. To arrive at the exact sum of the direct loss it is necessary to get the new tenders in. To obtain these it is necessary to make the new conditions known. In order to make the new conditions known this Bill must be passed. That, as I understand it, is the official position, as revealed in the debate on the second reading. The objection to it, from the unofficial point of view, is that this method of making known the new terms ignores the protest contained in the resolution unanimously supported a year ago by the unofficial members "against any steps being taken to carry out the order announced in Parliament on the 6th before this Council shall have been called upon to consider the methods by which it is proposed to readjust the burden of taxation." If this Bill goes through in its present form it will be an irrevocable step taken before we have had an opportunity of considering these methods. But if its present form were to be altered in the manner I suggest, by the insertion of a clause making the contemplated step subject to a subsequent resolution in Council, this objection would be removed. It may be urged against this that unless Section 10 is made absolute at once an element of uncertainty would enter into the bargain with the new farmer. But if the terms of the advertisement for the tender are fixed and definite I do not see that there would be any such risk. There would be no risk to prospective farmers. The terms offered to them would be just the same as if the clause were made absolute now. And there is no real risk to Government, inasmuch as Government has absolute power and can exercise it on the occasion of the eventual resolution in Council, with just as much effect as now, and with a much better grace. That is the point. I invite some concession to the difficulty of our position, the unofficial position. The practical benefit of the concession which I suggest may not be apparent to those who lightly regard the position of the unofficial members of this Council; it will be best appreciated by those who imagine that we are intended to represent the wishes of the community. To display consideration towards the wishes of the community as represented by us in this particular case—and in the general question we can claim to have the community behind us—would have a certain practical effect towards making the policy palatable. That was held to be a desirable object a year ago. Now that we are face to face with the material consequences it is no less desirable. Indeed, the community may be thought to have a claim to be treated with greater consideration now than then. It is hateful to be reduced by circumstances into haggling about money when appealed to on grounds of paramount duty to civilization. But the duty that lies nearest us in this Council is duty to this Colony, and my conception of that is to claim the right to discuss matters affecting our revenue, before, and not only after, they have been settled over our heads. The Colony must have been relieved in a measure to learn from a telegram in the morning paper that the Opium Conference has had the effect of suggesting to the world the great difficulty of the opium question. The authority for this statement is the Secretary of State for the Colonies. The difficulty thus revealed to the world was seen and stated long ago, in certain remote parts of the world, among others in this Colony. But previous to the receipt of this telegram there was some doubt as to how these difficulties were to be solved, or in any degree removed, by holding a conference which did not confer, a commission which did not inquire, a mere series of formal meetings whereat set speeches

were read or recited by delegates debarred from discussing freely the merits of the question as a whole. It seemed as if an unnatural union between religious sentiment and political expediency were to issue in nothing but a litter of resolutions—still-born. Now, however, we are told that there is a larger and a happier issue out of the affair—a widening of the bounds of knowledge of the subject dealt with. This Colony will have reason to feel grateful if the results include a better appreciation of the difficulty and complexity of the question dealt with, inasmuch as that our difficulties and perplexities, and our uncertainty as to the beneficial result of the drastic measures forced upon us, will be to some extent shared and sympathized with by the wider world. This newly acclaimed prospect of a more widespread knowledge and understanding of the matter encourages me to press for the small concession which will be made if Your Excellency can see your way to accepting my amendment.

The COLONIAL SECRETARY—I understand, Sir, that the object of the hon. member's speech is to postpone the operation of section 10, clause 10, until such time as we may have had consideration of the estimates for next year.

Hon. Mr. STEWART—We, of course, know that we can discuss the present bill after the estimates, but then it is a *fait accompli*. We shall be discussing something which has been done. My point was that by a resolution brought up a year ago we asked that we might be allowed to discuss the bill before any steps were taken.

The COLONIAL SECRETARY—You want to postpone the operation of section 10.

The ATTORNEY-GENERAL—Until Council has approached the Home Government to make good our losses.

The COLONIAL SECRETARY—The hon. member must understand that it is time the preparation of the estimates was begun, but before we do so we must call for tenders for the Opium Farm, and two months' notice must be given in newspapers in order to give a reasonable time to tender. You wish to advertise tentative tenders? I maintain that would be, Sir, from a mercantile point of view a piece of absolute folly, because we would never get a reasonable tender.

Hon. Mr. STEWART—The Government invites tenders on certain conditions. If a man accepts the conditions it is nothing to do with him whether they have yet been made law or not.

The COLONIAL SECRETARY—Most of the conditions of the tender are in law and always have been.

HIS EXCELLENCY—Any discrepancy between the form of the tender and the law of the colony is avoided.

Hon. Mr. STEWART—I don't see any objection at all to making a tender in the ordinary way as a tender is made in business. There is nothing behind the terms that you offer.

The COLONIAL SECRETARY—What terms are we going to offer?

Hon. Mr. STEWART—You offer terms adopting the phraseology from this bill exactly the same as if it went through without this suspensory clause. The unofficial members have asked for that amount of consideration and it should be granted them. It makes no difference to the Government except, as far as I can see, in point of face.

HIS EXCELLENCY—If there was any way of meeting the wishes of the unofficial members the Government would be most glad to adopt it. The only effect would be to place doubt in the mind of a tenderer on a subject in which there is no doubt whatever.

Hon. Mr. STEWART—The terms of the tender being fixed and definite, a man cannot, as I understand it, have any doubt in his mind of the terms under which he was tendering.

HIS EXCELLENCY—It might be the terms on which he was tendering, but he would still read the debate and think that the holding over of clause 10 implied a doubt.

Hon. Mr. STEWART—If he read the debate he would be in no doubt.

HIS EXCELLENCY—I think the unofficial members will have every opportunity of discussing this on the budget debate, when I shall have the duty and pleasure of bringing forward the statement of revenue which it is anticipated we shall receive from opium.

Hon. Mr. STEWART—The step will then have been taken, but if this resolution is agreed to now it will remain to be taken.

HIS EXCELLENCY—I see your point, but I do not agree with it. I think it is only likely to raise doubt in the mind of tenderers.

The COLONIAL SECRETARY—The tender must be stated exactly.

Hon. Mr. HEWETT—I do not see why you should not call for alternative tenders, and it is just as easy to call for tenders now. The plea put forward by the Colonial Secretary about time getting on, and that we must not waste any more, seems to me a futile one. The Government have known for the last fourteen months what the intention of the Home Government was, and there is no reason why this bill should not have been before Council six months ago. We have rather been taken unawares, and we are asked to pass this bill although the Government are perfectly well aware that we are opposed to it.

The COLONIAL SECRETARY—You knew a year ago that it was to be passed, and have had plenty of time to discuss it.

Hon. Mr. HEWETT—Knowing what the opposition of the colony is, I think this bill should have been put before us earlier, and I think it is a very poor argument that the Government should come forward now and ask us to rush the bill through before a certain date. I for one, representing the unofficial members of the community, wish to make my protest.

Hon. Mr. GRESSON—I cannot see why you want a definite tender. If you agree to do what we are asking you can get all your figures together, and the Treasurer can get on and prepare the estimates. I cannot see how it affects a man who is going to tender to make the thing legal; it does not seem to me to make the slightest difference.

HIS EXCELLENCY—There is no question about making the tender legal. What we wish is not to create any doubt in the mind of a tenderer that the divans will be kept open as a result of this clause being held over.

The ATTORNEY-GENERAL—It is a question of destroying the value of the offer to be made. Section 10 deals with the prohibition of opium divans.

HIS EXCELLENCY—We have not only got to make up the budget, but accept or decline a tender. That is to say, that the Government has to accept a tender although the Council has not passed a resolution enabling it to do so.

Hon. Mr. STEWART—Outside the hope is that there may be some modification of section 10.

HIS EXCELLENCY—I don't think you take my point. As a matter of principle the Government, being compelled to make up its estimates, would have to definitely accept a tender while the Legislative Council had not yet been able to do so. A resolution would be still pending bringing into operation that clause. That is to say, the Government would have to act *ultra vires*.

Hon. Mr. GRESSON—Cannot you put a clause in to accept the tender some months afterwards?

HIS EXCELLENCY—I fail to see where the object comes in you have in view, because by what has already been said at this table, the only object is to meet the question again. You can say all that has to be said on the debate on the estimates.

Hon. Mr. HEWETT—Presumably you won't put your estimates before the Council for some months. In the meantime the debate will go home to the Secretary of State and he may be induced to modify the views already expressed.

Hon. Dr. HO KAI—When we receive tenders we shall know what we have to lose. Then it will be easy enough to telegraph home and ascertain whether we shall have a substantial part of that loss made good to us.

HIS EXCELLENCY—The Government, as I endeavoured to point out, has got to accept a tender before making up the estimates, which we could not do if the resolution was carried.

Hon. Mr. STEWART—Then we should be discussing a thing after it has been done.

HIS EXCELLENCY—It practically has been done already. We have the definite assurance of the Secretary of State that he will make good a substantial part of the loss.

Hon. Mr. GRESSON—If the Secretary of State is so kind to us as to say he will give us this substantial amount, it seems to me that it would be very simple to give it a name.

HIS EXCELLENCY—I propose to say a few words on that in the third reading. I will put the hon. member's motion to the vote.

The motion on being put to the vote was lost by the casting vote of the Governor, all the unofficials voting for, and all the unofficials against it.

On Council resuming the **ATTORNEY-GENERAL** reported that the bill had passed through committee with slight amendments. He said: In view of the importance of getting the estimates for the coming year framed and laid before the Council at the earliest, and of the necessity of having tenders for the Opium Farm advertised, and in view of the fact that the bill has been fully discussed by this Council, I beg to move that it be read a third time.

The **COLONIAL SECRETARY**—I beg to second the motion, and I may say that the advertisements calling for tenders for the Opium Farm are already one month later than on the last occasion and the occasion before.

HON. MR. HEWETT—Your Excellency, the unofficial members do not propose to defer the third reading, because we do not wish to appear to be unnecessarily obstructive in the passing of the measure, but it is true that we do propose to vote against the third reading for reasons very fully explained at the last meeting and also while in committee on the bill this afternoon. We consider in the first place, that before His Majesty's Secretary of State for the Colonies peremptorily ordered the Colony to adopt a certain policy, he should at least have had the courtesy to offer the community an opportunity of presenting reasoned opinion against the proposed resolution and allowing the matter to be discussed. That was not done, but certain orders were sent out here in a peremptory manner and the result is the passing of this bill. We further consider, as fully explained this afternoon and last Thursday, that before the bill is passed we should get definite assurance from the Home Government as to what they mean by a substantial contribution. For these reasons, Sir, the unofficial members propose to vote against the third reading.

HIS EXCELLENCY—Gentlemen, when this bill was read a second time the unofficial members unanimously voted against it, and the representative of the Chamber of Commerce has just told us that the unofficials proposed again to-day to vote against the third reading. I hope that after the few words I have to say they may alter that intention. I explained before that it is necessary to pass the bill, in order to call for tenders which are already delayed, as my hon. friend on the left has told us, about a month beyond the usual date. They have, as you know, to be forwarded to Singapore and elsewhere and we require to know the amounts tendered before we begin the preparation of the Estimates. I did not wish to frame the conditions of tender and to circulate them before this bill had been discussed in Council, in order that members should have every opportunity of discussing the conditions on which the tenders would be based. Had the tenders been circulated earlier in anticipation of this bill the terms of this bill would practically have been settled without reference to Council. Moreover, it is possible that some discrepancy might have been found later between the exact words of the tenders and the terms of the Ordinance which was passed subsequently, and this might have led to claims for compensation or for the repudiation of his contract by the Farmer. It is now an urgent matter to pass the bill as soon as possible, as my hon. and learned friend on the left suggested, and Council agreed to take the third reading this afternoon. It is clear from the speeches which have been made by different unofficial members that they have not opposed the bill because they fail to recognise the urgency of the necessity for calling for tenders for the Farm, or that they had any objections to the proposals embodied in the bill, for in none of the long speeches delivered by hon. members was a single exception taken to the provisions of the bill itself. During the passage through the second reading none of the principles of the bill were called in question. The votes recorded by unofficial members on the second reading were clearly stated to have been recorded as a protest against the action of the Imperial Government, and in order to obtain a

more precise wording of the promise made by the secretary of state. That protest was made on the second reading, and it was emphasised by the unanimous vote against the bill of the unofficial members. But they do not show themselves hostile to the provisions of the bill and I trust therefore that they will not vote against the third reading, since their protest, has been already recorded in the minutes of the Council. I would remind you that if the majority did throw out this bill we should be in a situation in which I think no unofficial member desires that we should be placed; that is to say, tenders would have to be hung up and the estimates deferred. I am not aware myself that any difference in this general opium question does exist between the unofficial members and the Government. We are all agreed that it should be gradually suppressed and the unofficial members in their speeches particularly emphasised this point. Their objection, which was clearly stated, is that they wish for a more precise and definite wording of the Secretary of State's promise. On the one hand it was suggested that the Secretary of State had only promised to ask Parliament and possibly Parliament might refuse. Lord Crewe in a despatch which I read to this Council did not say that he as Secretary of State for the Colonies would ask the Treasury's sanction for a grant. That is a form of request which is quite familiar and which in my own experience I have more than once known to be unsuccessful. The words used, however, were to any one conversant with the language of state departments very different indeed. He said that His Majesty's Government would ask Parliament, that is to say, that the speaker or writer spoke as a member of the Government and declared that Government would go to Parliament for a certain object. If Parliament refused the request of the Government it would mean the defeat of the Government, and we all know that the defeat of the Government is a serious matter. That is how I read the despatch, and that is why I stated to Council that I considered the promise as definite as it could be. In the second place, it has been suggested that a definite proportion should be asked for, but I think that on second thoughts the hon. member who raised this suggestion will agree with me that such a request is not a feasible one. I think that no business man at this table would pledge himself to give a definite proportion of a loss when the basis of calculation is not yet settled. The hon. member at the end of the table pointed out that the opium trade had great ramifications and the loss would fall in various directions. I myself pointed out in a memorandum which I laid upon this table that the opium trade has wide ramifications and its extinction will involve loss in many different channels, but the loss on this trade does not depend on the policy adopted in this colony but upon the policy adopted in India. In any case these are more or less direct losses and the Secretary of State has only pledged himself to make good a substantial portion of the direct losses. Still I think it quite conceivable that a difference of opinion may arise on the words "direct and indirect," which are open to discussion. I may say that were I myself undertaking a pledge in the name of the taxpayers of this colony similar to the one which Lord Crewe has taken on behalf of the taxpayers of the United Kingdom, I should certainly not commit myself, and I can say with confidence that I do not think there is a business man at this table who would not take the same lines. The position as it now stands is, as I gather from the speeches which have been made, that this Council unanimously thinks that this bill should be passed, to call for tenders, and in order that we may know as soon as possible what deficit we shall have to face and to make good in our estimates. The unofficial members desire to record their protest upon the aspect of the question which touches the Imperial Government and I may say does not touch the local Government. In these circumstances I hope that the unofficial members will unanimously vote for the third reading of the bill in order to show that there is no divergence of opinion between us either as regards the general opium policy or as regards the necessity

for the passing of this bill. (Applause.)

After the unofficial members had consulted with regard to the Governor's speech.

HON. MR. HEWETT asked—May I speak again in reply to your remarks just now?

HIS EXCELLENCY—There is no rule against it.

HON. MR. HEWETT—When the unofficial members came here this afternoon they had arranged, in order to emphasise their protest again at what they considered unfair treatment on the part of the Home Government, to vote against the third reading. But in view of your Excellency's remarks the unofficial members are prepared to vote for the third reading, as we entirely endorse what Your Excellency said, to the effect that our protest was made against the action of the Imperial Government and has nothing to do with local Government. We trust that while voting for this third reading of the bill, Your Excellency will put it on record that although we withdrew opposition to the third reading in response to Your Excellency's personal appeal, we do protest against the bill being passed in the manner it has been. Our object in protesting against the third reading was to emphasise the protest made at the second reading. Our protest still stands, we merely withdraw our opposition to the third reading in deference to Your Excellency.

The bill was then read a third time and passed.

HIS EXCELLENCY—Council stands adjourned until next Thursday.

FINANCE COMMITTEE.

A meeting of the Finance Committee was then held, the **COLONIAL SECRETARY** presiding.

The following vote was passed:—

CHARITABLE SERVICES.

The **GOVERNOR** recommended the Council to vote a sum of two hundred dollars (\$200) in aid of the vote Charitable Services, Passages and Relief of Destitutes.

The **CH. IRMAN**—This was to pay the passage of a destitute. When the question of a passage arose we found that the vote was exhausted. Then we found \$28 for the passage of a deportee to Singapore, with the additions of a certain sum to keep the Colony going in the transportation of these destitutes until the end of the year.

PROMOTION FOR MR. STUART FULLER.

Following on the transfer of Dr. Amos P. Wilder, the popular Consul-General for the United States, comes news of the impending transfer on promotion of Mr. Stuart J. Fuller, who for the past three years has been Vice-Consul in the Colony and has now temporary charge of the Consul-General. Mr. Fuller has been nominated by President Taft as Consul at Gothenburg, Sweden. The nomination has to be confirmed by the Senate, but as a long list in which Mr. Fuller's appointment was included was submitted to the Senate on May 26th, it is probable that by this time the Senate has approved the appointments, though no news of this has yet reached the Colony.

Both as an official and in social life Mr. Fuller is very popular in the Colony. Dr. Wilder, in one or two of his farewell speeches, referred to Mr. Fuller's work as an official in terms of highest praise, and his many friends in the Colony who know his worth will cordially congratulate him on his promotion in the Consular service of his country. We need hardly add that Mr. Fuller is not likely to be leaving Hongkong for some months yet.

Among other nominations in the list we note that Mr. Charles L. Hoover, of the Philippine Islands, is nominated to be Consul at Madrid; Mr. Carl F. Leichmann, now at Tamsui, is down for transfer to Nagasaki, his place at Tamsui being taken by Mr. Raat, now at Mauritius.

The construction of a "hot-house" is contemplated on the summit of Fuji for the benefit of any visitors who may be affected by the cold. There is another scheme to establish a hotel at the base of the mountain.

THE ALLEGATIONS AGAINST A SOLICITOR.

FIFTH DAY.

The Full Court (their Honours Sir Francis Piggott, Chief Justice, and Mr. H. H. J. Gompertz, Puisne Judge) on June 21 resumed the hearing of the case in which Mr. C. F. Dixon was called upon to show cause why he should not be struck off the roll of solicitors.

The application was made by Mr. Eldon Potter, who was instructed by Mr. C. F. Wilkinson (of Messrs. Wilkinson and Grist), while Mr. Dixon was represented by Mr. H. G. Calthrop, who was instructed by Mr. J. Scott Harston (of Messrs. Ewens and Harston).

Charles Kent, cashier in the office of Messrs. Hastings and Hastings explained the system of book-keeping. They kept a costs account and a clients' account, all money received for the cost of the office went to the first named and all money received on behalf of clients went to clients' account. The accounts were kept in separate books. Money was sometimes transferred from the clients' account to the costs account. A ledger was kept for the clients' account, but no ledger was kept for the costs account, so that money paid by clients to costs account would not appear in the ledger. When money was received it was entered in the rough cash book with a note showing to which account the money was to be placed. He remembered when Wong Hui Tong called for the interim account. That was about 1st December last year. Mr. Dixon told him to make out an account, and to make a copy of the ledger (produced). The items paid by clients to the costs account would not appear in that account. Costs paid direct to the costs account did not appear in this account. Certain items paid by the Kwong Hing Cheong to costs did not appear in the first statement. One referred to a sum of \$25 paid on March, 1907, \$300 paid on 29th April, 1907, \$400 paid on 6th June, 1907.

The Chief Justice—How do you know this?

Witness—On comparing the two accounts.

The Chief Justice—Do the lump sums on the credit side of the first account appear as lump sums to the credit side of the other account?

Mr. Potter—Yes, and others besides.

Mr. Potter—What is the next sum?

Witness—\$500 paid on the 27th January, 1908.

And the next?—\$1,500 paid on the 21st April. How much is the amount which does not appear in the first account?

The Puisne Judge—\$500 out of \$1,500?

Mr. Potter—Yes, my Lord.

Witness—\$350 on the 5th May.

How much do these items come to?—\$2,075.

So that the first account would be \$2,075 short?—Yes.

You remember the date when that second account was given?—About the middle of April.

Who made out that account?—Mr. Dixon, with my assistance.

That is the complete account?—Yes.

Does that account include all payments made by clients whether they went to costs account or clients' account?—Yes.

Does it also show the amount charged by the firm for costs?—Yes.

\$6,089.60?—Yes.

Will you point to the two items?—The first item is \$6,089.60 and the second \$3,017.65.

Who made out these costs included in these items?—Mr. Dixon.

Look back to the first account?—How much was transferred from the clients' account to the costs account for costs?—\$4,114.00.

What were the items?—The first, June, 29th, \$1,000; second, July 8th, \$250; third, July 24th, \$1,250; next, August 21st, \$1,614.60, making in all \$4,114.60.

About the middle of April Mr. Dixon with your assistance made out a complete account and gave it to Wong Hui Tong?—Yes.

When did you see Wong Hui Tong again?—About the middle of May.

Didn't you see him before that?—I saw him on April 15th.

What happened on that occasion?—I paid him a cheque for \$10,000.

Was Mr. Dixon present at this interview when the cheque was given?—Yes.

Did Mr. Wong ask for anything?—Yes, he asked for a reduction of costs.

Did he ask for anything else?—He asked for a detailed account of all the charges.

Did he get that?—Yes.

How long did it take to make out the detailed account?—Three or four weeks.

Do you remember when it was sent to him?—About the 15th May.

When did you see Mr. Wong next?—A few days after he got the detailed account.

What happened then?—I took him to see Mr. Hastings.

Was Mr. Dixon present?—No.

Do you produce the rough cash book?—Yes.

Will you look at 27th January 1909?—Yes.

Did Mr. Dixon pay you any money for costs that day with reference to Gulab?—Yes; he paid me \$30 for costs.

Will you read the entry?—27th January, Jemadar Gulab, \$30 costs.

Whose handwriting is it in?—Mr. Dixon's.

Did you see Gulab on that day?—No.

Do you know whether any receipt was given for this \$30?—No receipt was given.

The Chief Justice—As far as you know?

Witness—I keep the receipt book and make out the receipts.

Mr. Potter—On March 3rd, 1909, there is another entry with reference to Gulab, is there not?—Yes.

\$50?—Yes.

Go back to January 8th, 1909. Do you find an entry, Wong Hui on account of costs police court case?—Yes.

How much?—\$30.

Did you receive that money?—Mr. Dixon received the money and handed it to me.

Did you give any receipt?—No.

Did you ever receive any further sum from Mr. Dixon with reference to that case?—No.

Is there any entry on 13th or 14th January of money received from this man?—Yes.

Can you tell me how much Mr. Dixon received on an average per month from Messrs. Hastings in salary and commission?

Mr. Calthrop objected.

The Chief Justice—I don't see how this affects the case.

Mr. Potter—There is mention of it in Mr. Dixon's affidavit.

The Chief Justice—We are not dealing with any of the civil aspects of the case.

Mr. Potter—No, it may become important on another matter.

Can you tell the average amount in salary and commission received by Mr. Dixon from 1st January, 1908, to 31st March, 1908?—About \$42 a month.

Did Mr. Dixon pay over \$500 on 23rd July, 1908, with reference to the Kwong Hing Cheong case?—No.

Cross-examined by Mr. Calthrop.

How long have you been with the firm of Messrs. Hastings and Hastings?—About two and a half years.

What is your Chinese name?—Cheung Po Chun.

Then you are a Chinaman?—Yes, I am a Chinese.

Why did Mr. Wong Hui Tong ask you for an interim account about the 1st December?—I don't know.

Did Mr. Dixon at any time ask Wong Hui Tong for a further payment on account of costs?—Yes.

Do you know that Wong thought he had already paid enough on account of costs?—I do not know.

Did not Mr. Dixon ask you to make out an account so as to show the position between Mr. Wong and the firm?—I don't know.

The Chief Justice—What instructions did he give you?

Witness—He asked me to make out a copy of the current ledger in Wong Hui Tong's name.

From the first account produced to Mr. Wong could you tell how they stood?—No.

Did Mr. Dixon ask you to make out an account showing the proper position?—No.

You swear that?—I don't know.

Did you hand the account to Wong?—I cannot remember.

Did you explain the account to him when you handed it to him?—No, somebody else did.

The Chief Justice—Did you hear somebody else do it?

Witness—Yes, the interpreter Hung.

Cross-examination continued.

What day was it Mr. Wong paid the \$2,000 more?—11th January, 1909.

Will you look up the cash book, 29th June last? What was paid Reuter, Brockelmann that day in respect of costs?—\$3,500.

In whose handwriting is that entry?—In my own.

Where did you get the money from?—I cannot remember. It may have been Mr. Dixon or Mr. Wong himself.

Don't you know the money was paid two days previously to Mr. Hastings?—I can't remember.

And that it was after bank hours?—I can't remember.

And that Mr. George Hastings put it in his safe?—I can't remember.

And it was handed to you on Monday, 29th, by Mr. George Hastings?—I can't remember.

You don't swear he did not hand it you?—I don't.

Wasn't the interim account given to Mr. Wong in Chinese as well as English?—No, English only.

When the final account was given Mr. Wong was it in Chinese as well as English?—No.

Were you present when it was handed to him?—Yes.

Who were present?—The interpreter Tam and Mr. Dixon.

What happened?—Nothing particular.

Did he look at the account?—Yes.

After looking at it he asked for a detailed account?—Yes.

Did he point to any special items?—Yes.

That one for \$6,000 odd?—Yes.

And that one for \$3,000 odd?—Yes.

The Chief Justice—Who explained the account to him?

Witness—The interpreter.

The Chief Justice—Was there another copy?

Witness—There was a translation.

The Chief Justice—That was handed to him?

Witness—Yes.

The Chief Justice—Did the interpreter explain every item as well?

Witness—Yes.

Cross-examination continued.

Now you told us just now that the final account was in English only?—Made out by myself. The Chinese translation was not made out by me.

Did anything more take place at that interview?—Yes, I gave him a cheque for \$10,000.

Who was present?—Mr. Dixon and Tam and a new interpreter.

Was that all?—He signed a receipt.

When did you next see him?—A few weeks later.

Who were present?—Tam and myself.

The declared account was sent to Wong Hui Tong somewhere about the middle of May?—Yes.

How soon did you see him after that?—A few days.

Who else was present?—Tam.

And you went in to see Mr. Hastings?—Yes.

Did you have any conversation with Wong?—Yes, he asked me to speak to Mr. Hastings about the costs.

What happened when you got inside?—Wong asked Mr. Hastings to reduce the costs.

And then?—Mr. Hastings read over the accounts and said they were not quite correct.

Which two accounts do you mean?—The final account and the detailed accounts for costs.

What else did Wong say?—That a sum of \$500 had not been credited to him for costs.

Was anything else said at that interview?—

Mr. Hastings spoke to Wong and asked him what \$500 was not credited.

What happened next?—Wong said he went back to Canton sometime ago and compared the account with his Chinese account book.

Are you sure he said that?—Yes, and he said the \$500 was short in our account.

And after that?—Mr. Hastings asked him if he got a receipt for it.

What did he say?—He said, "No."

What happened then?—Mr. Hastings asked him on what date it was paid, and he said it was sometime in July.

Did he tell Mr. Hastings the exact date?—No. He was going to find out. He explained that on several occasions \$500 had been paid, and he could not tell which \$500 it was.

And after that?—Mr. Hastings asked him to show him his Chinese account book.

What happened then?—Wong said he would go back to Canton and get the book?

Are you sure that is all that happened?—Quite sure.

Did you make an affidavit in this matter?—Yes, on May 27th.

And you told all you knew in that affidavit?—Yes.

Do you know Jemidar Gulab?—I know his face.

When did you first see him?—Sometime in February.

Was this the occasion on which he paid \$30?—No, after that.

You say it is part of your duties to give receipts?—Yes.

Then on the 27th when \$30 was paid why didn't you make out a receipt?—I asked Mr. Dixon if the man wanted a receipt, and he said "No."

The Chief Justice—Who keeps the receipt book?—I do.

And you say it is your duty to make out receipts?—Yes.

Then why didn't you make one out in this case?—Sometimes a client calls at the office in a hurry, just pays the money and goes away again.

Why didn't you make out a receipt and send it afterwards?—I did not know the man's address.

The Puisne Judge—How does the solicitor get the book to make out a receipt?—He asks me for it.

Mr. Calthrop—Have you the receipt book here?—No.

You say it frequently occurs that a client calls, pays his money and gets no receipt?—Not frequently, but it does happen.

I put it to you that if a receipt is given the counterfoils ought to agree with the cash book?—Yes.

And I put it to you that in police court cases it is not the practice to give a receipt unless a client asks for one?—That is not so.

On March 3rd you received \$50 from Gulab?—Yes.

Who handed it to you?—I don't quite remember.

Did you give a receipt for that?—I made one out.

Did you hand it to Gulab?—No, he did not call for it.

The Chief Justice—Then why didn't you make out one before? That is the question I asked you.—I intended to make one, but the man went away, so I asked Mr. Dixon and he said "Never mind."

Did you tell Mr. Hastings the whole story about these receipts?—No.

Why didn't you?—He didn't ask me.

Didn't you think it important to tell him everything?—No.

Did you think it important to tell him of not having made out a receipt in the second case because Gulab did not ask for it?—No, I didn't.

Do you know Wan Hi?—Not personally.

When did you first see him?—Sometime in January.

Did you speak to him on that occasion when he came to the office?—No.

Did you on the second?—Yes.

When was that?—On that day or the day after.

Was anybody else there?—Tam.

What did you speak to him about?—I asked him to pay the balance of his costs.

What did he say?—That he had already paid.

Where did this conversation take place?—In my room.

You made an affidavit about this?—Yes.

How do you account for putting in your affidavit that it was on the 13th or 14th January, that is to say, five or six days after he first called; and now you say it was the same day or the day after?—I cannot remember the exact date.

The Puisne Judge—Do you mean you cannot remember now, or you could not remember then?—I cannot remember now.

Mr. Potter—He says in his affidavit that Mr. Dixon did not pay him \$20 on the 13th or 14th January.

Mr. Calthrop—Who was present besides Wan Hi when he said he paid the \$20?—Tam.

Why did Wan come into your room?—Because he wanted to speak to Tam.

How long had Tam been sitting there when Wan Hi came in?—He had been busy typing something all the time.

And Wan Hi said he had paid the \$20 to Mr. Dixon?—Yes.

How long did he stay in the room with you and Tam?—From five to ten minutes.

And after this he went out of the office?—He asked Tam to ask Mr. Dixon to give him a letter to show to the inspector in the New Territory.

Did he get one?—No.

You say Wan Hi told you he had paid Mr. Dixon \$20?—Yes.

Did you ask Mr. Dixon for it?—I did not.

Why?—Because I thought if the money was paid to Mr. Dixon he would hand it to me sooner or later.

Did you give a receipt to Wan Hi for \$20?—I did not receive it.

You could have drawn a receipt up, gone to Mr. Dixon for the money, and got him to sign the receipt.—That is not the rule.

Would you remind anybody if you found that by accident they had omitted to pay a small sum over?—Yes.

Then why didn't you remind Mr. Dixon?

At that time I intended to, but he was out, and afterwards I suppose I forgot.

Did it never again occur to you?—Not until long afterwards.

When?—Sometime in May this year, but Mr. Dixon was not there then.

Did you try to find Mr. Dixon to tell him about this?—No.

When did you see Wan Hi again?—Sometime in May. I cannot remember the exact date.

Where did you see him?—In our office.

Witness was handed the rough cash book, and admitted not being able to find the counterfoil for an entry of \$3 contained therein. Occasionally receipts were not given for small sums. With reference to another entry, \$29.40 for costs, he was unable to find the receipt.

Why not?—I can't remember.

Witness was questioned as to several other items of a similar nature.

Is it not the practice not to give receipts for small sums unless specially asked?—My duty is to make them out in every case.

With regard to the \$29 do you remember whether Mr. Dixon told you not to give a receipt?—I don't remember.

Look at the entry 22nd July last year, what is it?—Kwan Chun Kwan on account of costs police court case \$20.

Whose handwriting?—Mr. Dixon's.

Is there a receipt for it?—Yes.

Same day, there is an entry of \$10?—Yes.

Whose handwriting?—Mine.

Is there a receipt for that?—No.

Why not?—I was told he did not want one.

Who told you?—I can't remember.

Were you specially told not to give a receipt?

—It must be so or there would be one.

Look at the entry, 6th July, \$27 cost of transfer?—Yes.

In whose handwriting?—In my own.

Can you find a receipt for it?—No.

Why not?—Because it is a transfer of commission.

Witness was questioned with regard to other entries. One with reference to \$59 entered in the handwriting of Mr. Dixon and Mr. Hastings had no receipt, and another entry for \$42 in the handwriting of Mr. Hastings had no receipt.

How do you know Mr. Dixon's average salary per month was \$42?—By looking at the cash book.

Can we see that book?—No answer.

Mr. Calthrop asked for the book to be produced.

The Chief Justice—Do you dispute this amount?

Mr. Calthrop—We want to see these payments to Mr. Dixon from the time he had been in the employ of the firm.

Mr. Potter—We can make out a list of the payments to Mr. Dixon.

The Chief Justice—I don't quite follow. The question was, did he know the amount of Mr. Dixon's salary. He gave the information. Do you challenge it?

Mr. Calthrop—We don't. We are entitled—

The Chief Justice—You are not entitled to see every book.

Mr. Calthrop—The witness makes out that he knows from this book the amount of Mr. Dixon's salary.

The Chief Justice—There is no use producing books on something which you admit.

Mr. Calthrop (to witness)—Do you know from the book the amount paid to Mr. George Hastings before he was admitted a partner?

Mr. Potter objected.

The Chief Justice—He can say yes or no; but not the amount.

Witness—Yes.

Mr. Calthrop—This \$420 paid to Mr. Dixon is to show he cannot keep up a house on that amount.

The Chief Justice—You are not to prove that somebody else cannot keep up another house on another amount? We are giving every latitude, but there is a limit.

Re-examined—He could not say whether the Chinese account given to Wong Hin Tung was a full account or a summary.

Tam Wing Kwong, interpreter in the office of Messrs. Hastings and Hastings, was next called. He said he remembered Wan Hi calling at the office in the beginning of last year.

Witness took him to see Mr. Dixon, and witness interpreted at the interview. When he took him into the room he related to Mr. Dixon what Wan Hi had previously told him, and Wan Hi asked what the costs would be. Mr. Dixon replied that he could not tell as it depended on how long the case continued, but Mr. Dixon finally mentioned \$50 for one day and \$25 for each subsequent day. Wan Hi agreed and paid \$30, which was all he had with him, on account, Mr. Dixon telling him to bring the balance before the case was heard. Wan paid the \$30 to Mr. Dixon personally, and the latter called in Kent, who brought the rough cash book. Mr. Dixon made an entry of the \$30 paid. Witness knew Mr. Dixon went to the Magistracy twice over the case. Mr. Dixon on returning from the Court the second time told witness the police had withdrawn the case. Wan Hi came into the office that afternoon and entered Mr. Dixon's room. Wan came of his own accord. He said he came to pay the balance of the costs, because Wan Sui Po had been liberated. He paid another \$20 costs.

You told him the case was withdrawn?—Yes.

How did he pay it?—He put two ten dollars in my hand and I gave them to Mr. Dixon.

What happened then?—Mr. Dixon put the money in a drawer of his desk.

Anything else?—He locked it up. Mr. Dixon and myself went to the Registry of the Supreme Court.

Was any receipt given for the \$3 or the \$20?—No.

Did you see Wan Hi after that?—I saw him the day after he paid the money.

What happened?—He entered my room with Wan Sui Po and told me that Wan Sui Po was afraid the police might arrest him. He would like Mr. Dixon to write a letter to the police.

Mr. Calthrop—Was Mr. Dixon there?

Witness—No.

Cross-examined Where were you this morning? In the witness room.

You made a declaration on 26th May?—Yes, sometime last month.

In which you relate this story of Wan Hi?—Yes.

You mention the interview with Mr. Dixon and Wan Hi in January?—Yes.

On the day Wan Sui Po was released Wan Hi called again?—Yes.

Why didn't you mention you had another interview with Wan Hi?—I only related what I was asked. I did not know how much was sufficient.

Do you know Wan Hi swears that he did not come to the office from that time until he made the declaration?—I only say what I know. He may have a bad memory.

The balance was to be paid before the case was heard?—Yes.

Was the case heard?—No.

Do you go with Mr. Dixon on the first occasion to the Police Court?—I usually go.

Did you go on this occasion?—I think so. I went up once to ascertain what the charge was.

If any evidence had been taken on the second occasion you would have had to assist Mr. Dixon?—Yes.

As the case was not heard I put it to you there was no necessity to pay the balance of costs?—

When it is arranged the balance of costs must be paid even if there is nothing done.

Is that always the case?—No, because Mr. Dixon has the power—

It is not always the case?—In this case the client came to pay it himself, not because we insisted upon it.

Is it not the practice for Mr. Dixon when there is an agreed sum to enter so much on account of agreed costs?—Occasionally he does.

When you saw Mr. Dixon put money in the drawer what did you think?—I thought he was going to pay it to the cashier when he came back.

Did you think to remind him about it?

No, it has often taken place. He often put money in the drawer.

You swear he often did that?—Yes, many times.

How many times have you seen him do that?

—It is impossible to remember things like that.

Have you seen him do it ten times?—No.

Five times?—About that.

Do you know in what cases you have seen him do that?—No.

How long is it since you saw him do that?—Some time last year.

What date?—I can't remember.

Did Mr. Dixon pay the cashier?—He put the money in the drawer temporarily until the cashier returned.

When did you know Mr. Dixon had not paid it over to the cashier?—When Mr. Hastings showed me a portfolio with reference to Wan Sui Po.

When did he show you the portfolio?—About two or three months ago.

Do you remember when you first spoke to Mr. Hastings about Mr. Dixon taking money?—In the beginning of this Chinese year.

Was it soon after that Mr. Hastings showed you the portfolio?—A fortnight afterwards.

In what connection did he show you this portfolio?—Mr. Hastings was going through the folios and found there was only one entry. Mr. Hastings asked me whether the case was concluded, and I told him it was concluded and that the costs were fully paid.

To what case were you referring?—Wan Hi.

He asked you if the money was paid?—Yes. I told him \$30 was paid first and \$20 later.

Why was it that on the 2nd February you spoke to Mr. Hastings about Mr. Dixon?

Because Mr. Hung told me something about it.

What did Mr. Hung tell you?—I asked him what were his reasons for leaving our office and he told me that Mr. Dixon had misappropriated some of the costs of the office and paid some of it to Mr. Hung to keep silent.

What did he say next?—He said it was dangerous for him to remain in the office.

The Chief Justice—When did he leave?

Witness—On 31st December last. He told me to be careful and not be let in for such acts.

What else did he say?—We dropped the conversation on that subject.

Had you ever been to see Mr. Hung at his house before?—Yes.

Was anything said at that interview about Mr. Hung coming back to Hastings' office?—Not at that interview, at a later one.

When was that later interview?—About ten days later.

Where was it?—In his house.

In the interval had you spoken to Mr. Hastings about Mr. Hung coming back as interpreter?—Before that.

Did you want him back?—Yes.

Did you send him a letter to that effect?—I used to write to him very often.

Between these two interviews you had seen Mr. Hastings and told him about Mr. Dixon?—Yes.

Did you tell him about Mr. Hung as well?—I told Mr. Hastings what Mr. Hung had told me.

After that you spoke to Mr. Hastings about Mr. Hung coming back?—Yes.

You wanted him back?—Yes, for some purpose.

Mr. Hastings was willing to take him back?—On conditions.

What were the conditions?—There were no conditions settled at that time.

You heard conditions suggested. What were they?—Mr. Hastings promised to take him back, but he must have the question of Mr. Dixon settled first, because he did not think Mr. Dixon had done such a thing at the time I told him.

Didn't these negotiations about Mr. Hung coming back last for several weeks?—Yes.

At that time were you seeing Mr. Hung frequently?—About once a week.

Were you conveying messages from Mr. Hastings to Mr. Hung?—No.

Were you telling Mr. Hung what Mr. Hastings said regarding taking him back?—Mr. Hastings never suggested talking him back at the time.

Did you tell Mr. Hastings of your interviews with Mr. Hung?—Yes.

Did you tell Mr. Hastings that Mr. Hung was ready to come back at an increased salary?—Yes.

Did you tell Mr. Hung what were the conditions on which Mr. Hastings was willing to take him back?—There were no conditions.

Witness was questioned as to his interviews with Hung and to the latter's visit to the office, after which the hearing was adjourned.

SIXTH DAY.

Mr. Calthrop resumed his cross-examination of Tum Wing Kwong, interpreter in the office of Messrs. Hastings and Hastings, with reference to his interviews with Mr. Hung. Mr. Hastings refused to believe what witness said regarding Mr. Dixon and he told Mr. Hung that he would have to make the matter clear himself. Mr. Hung said he could not tell Mr. Hastings without incriminating himself, and Mr. Hung suggested he should return to the office and Mr. Hastings could keep a watch on Mr. Dixon that he should not repeat what he had done. Witness mentioned the matter to Mr. Hastings, who said that Hung must make the matter clear about Mr. Dixon before he would consent to take him back. A few days later he saw Mr. Hung and informed him that Mr. Hastings wanted particulars of the money alleged to be taken. Witness added that Hung should go to Mr. Hastings and make the matter clear. Hung promised to do so and witness left.

Did you have an interview after this?—In May.

When was the next?—About a week later.

What took place then?—He told me he had seen Mr. Hastings, who asked him to give particulars of the moneys taken by Mr. Dixon, and he refused because he thought Mr. Hastings would take proceedings against Mr. Dixon.

What else?—He asked me to tell Mr. Hastings that he could not point out any case in which Mr. Dixon had taken money.

Did he say anything about coming back as interpreter?—No he was afraid he would be asked to give particulars.

How did you know that?—Because when it was suggested Hung should come back he wished to do so without giving particulars.

There was a suggestion that Hung should come back to the office?—Yes.

Did you support the suggestion?—Yes.

If you wanted Mr. Dixon to remain in the office and Mr. Hung to come back, why did you say anything at all to Mr. Hastings about this matter?—At the time when I spoke to Mr. Hastings about what Hung said I did not expect anything of this sort would ensue.

Wasn't it likely that some proceedings would be taken when that information was given?—At my interview with Mr. Hastings I told him Hung was afraid if he gave particulars that proceedings would be taken, but Mr. Hastings assured me he would keep the matter silent. He would give Mr. Dixon a month's leave to go to Yokohama so that no one would know.

Who said that?—Mr. Hastings.

He told you all about it?—Yes, he said that Mr. Dixon could go on leave and not come back again.

Witness then detailed his interviews with Hung as to coming back and the discussions as to his salary. Hung suggested that his salary be increased to \$225 a month, but Mr. Hastings said he would need to have Mr. Dixon's case cleared up first. After witness told Hung he would have nothing more to do with it, Hung came to the office and saw Mr. Hastings. Some time later he was at Hung's house, and Hung asked him about the matter. He replied that it was dropped.

What was Hung doing at that time?—Staying at home.

Did he say anything to you about getting employment?—He said he was going to Brutton and Hett's.

When did he go there?—I don't know.

You know he went?—Yes.

Have you been to see him there?—Yes.

When did you first go to see him at Brutton and Hett's?—After I made my declaration in this matter.

How long afterwards?—The day after.

What did you go there for?—To see the cashier, and at the same time I saw him.

What did you say to Hung?—I told him I had made a declaration in this matter.

Did you tell him what you said in that declaration?—Yes.

What else?—I told him he was not concerned in the matter.

Anything else?—He asked when the case was coming on, and I said "Friday next."

Why did you tell Hung he was not concerned in the matter?—Because he asked me.

What else did you tell him?—No more about this matter.

When did you next see him?—On the day Kwong Hui Tong made a declaration.

Why did you go to see Mr. Hung?—Because Mr. Hastings asked me to go and see him and ascertain if Wong was telling the truth.

Where did the interview take place?—In his house.

Who else was present?—Only Hung and myself.

What took place?—I told him Wong Hui Tong had made a declaration and what Wong had said in the declaration.

Did you take the declaration with you?—No.

Did you remember it by heart?—Not word for word. I remember what he said because I took it down in shorthand myself.

What did Hung say?—He said it was a matter of fact that such things had occurred.

The Chief Justice—That what Wong said was true?

Witness—Yes.

Cross-examination continued.

Did he say anything else?—He said he did not want to go to court to give evidence.

Why?—Because he said he had a hand in the matter.

What else?—I asked what would he do if Mr. Dixon subpoenaed him to give evidence. He told me he could not stand cross-examination and he must tell the truth then.

Did he say anything else?—He said Mr. Lo Chi San, the late Mr. Harding's interpreter, went to see him and asked him to make a declaration in support of Mr. Dixon. He told him the same thing that he told me, that he did not want to come to court because he could not stand cross-examination and would have to tell the truth.

Did you see him again that day?—No, I have not seen him since.

Do you know where he is?—I understand he is in Canton; I heard so from his son.

You remember soon after Hung left Mr. Hastings' office you suggested somebody else should come as interpreter?—Yes.

Was it suggested that Lo Chi San should come?—I don't know.

Witness said he thought it was suggested before Hung left that Mr. Lo should come as interpreter, and he told Mr. Hastings that if Lo came into the office he would resign. Witness knew Mr. Dixon was suggesting that Lo should come into the office.

Were you annoyed at Mr. Dixon for recommending Mr. Lo?—No.

You did not want him to come?—No.

Wasn't it a fact you wanted Hung to come back to prevent Lo coming?—No, because at that time we had a new interpreter.

Did he take Mr. Hung's place?—He took the place where Mr. Hung used to sit, but I don't know whether he was considered to be chief interpreter or not.

Is Chan supposed to have replaced Hung?—I don't know.

Is he as capable an interpreter as Mr. Hung?—No, but he can translate better.

Can he interpret properly?—What do you mean by properly?

In your opinion can he interpret properly?—Yes.

But not as well as Hung?—No.

The Chief Justice—I don't know that we want go too deeply into the merits of Mr. Chan.

The Puisse Judge—We have got his merits, but we don't want his life history.

When you first saw Mr. Hastings on 2nd February why didn't you tell him you saw Mr. Dixon put money in the drawer?—Because I did not think he had done anything in that case. I doubted at that time whether Mr. Dixon would have done such a thing.

Didn't you think it very strange that Mr. Dixon should keep this money?—I think he might take it for granted that I would think he would pay the cashier.

If he did not pay the cashier there would be a check on it, because you saw him put the money in the drawer?—Yes.

On the 2nd February did you go in to see Mr. Hastings about Mr. Dixon?—About that time, I can't remember the day.

Did Hung go with you?—No.

Did you report that Mr. Dixon had taken money?—I related my interview with Mr. Hung.

You did not say Mr. Dixon had taken money, but you said Hung had told you?—Yes.

Why didn't you get Mr. Hung with you?—I did not think it was necessary.

You knew nothing about the matter?—Yes.

Why didn't you get Hung to tell the story?—Because I did not think it necessary.

How long have you been in a solicitor's office?—Five years.

Didn't you think it very important?—I did not think it very important.

You did not think it very important that Mr. Dixon should be charged with embezzling money?—I did not think it important to tell Mr. Hastings.

Did you think what Mr. Hung said was important?—Yes.

Didn't you think it was better that Hung should tell his own story rather than that you should tell it if it was so important?—I never thought about that at the time. I told Mr. Hastings about it after my work.

When did you first make up your mind to tell Mr. Hastings about this?—On the day I told him.

Some days after Hung told you?—Yes.

More than ten days after Hung had told you?—About that.

What caused you to make up your mind to tell Mr. Hastings?—Because Hung told me it was very dangerous for him to remain in such a position and that was why he left.

The Chief Justice—That is not the question. Why did you take ten days to make up your mind?

Witness—Because there was no proof of Hung's story.

Mr. Calthrop—When you told Mr. Hastings there were no proofs?—No.

Then why did you tell Mr. Hastings if there were no proofs?—I thought it was the best thing to do.

What would be the first business day after China New Year?—The third day of the year.

That is the 25th. That was when you went back to the office?—Yes.

You did not tell Mr. Hastings then?—No.

Why?—Because I had not made up my mind.

Didn't it strike you as curious that Mr. Hastings should think of taking back Hung as interpreter if he admitted taking some of the money?—Mr. Hastings said he would consider it.

Don't you think it strange that he should consider such a suggestion?—I thought he might have said so in order to get information out of him.

With regard to the balance in the Wan Hi case, you say \$20 would have to be paid because Wan Hi had agreed to pay \$50 in all?—Yes.

You know in some cases when practically very little work is done a smaller sum than that agreed is taken?—Yes.

And you knew Mr. Dixon only went to the Magistracy for a very brief time?—Yes, but Wan Hi came to the office to pay. He didn't know the case was withdrawn; he thought his friend was liberated owing to our efforts.

Didn't you make a record declaration on the 11th of June?—Yes.

Why did you make it?—Because I was asked to make it.

Why didn't you set out fully the conversation you had with Hung on the 5th of June?—I didn't think it necessary to set the whole fact out.

Had you at that time seen the second affidavit made by Mr. Dixon?—No.

Then how did you know that it was enough to support the summons if you did not read Mr. Dixon's affidavit?—Because I was told that Mr. Dixon's affidavit set out a lot of things about Mr. Hung, so I was asked to make a declaration about Mr. Hung.

Had you been given the details of Mr. Dixon's second affidavit?—Not at the time I was asked to make my declaration.

How could you then know your declaration was sufficient?—Because my declaration was a summary of what took place in conversation.

Re-examined by Mr. Potter:

Was the suggestion that Mr. Hung should come back made by you or Mr. Hastings?—It came from Hung and I supported it.

Did it come from Mr. Hastings?—No; he said he would consider it.

Jemadar Gulab was then called to give evidence.

Were you a jemadar in the Hongkong Police Force?—Yes.

How long for?—I was jemadar for one year.

How long were you in the Police Force?—17 years.

Did you in January last go to Messrs. Hastings and Hastings?—Yes.

What about?—For my case.

What case?—I was dismissed from the police, and I wanted to get a pension from the Government.

Who did you see?—I went to Mr. Dixon first.

Did he take charge of your case?—Yes.

Do you remember paying him on the 27th of January \$40?—Yes.

Did you pay it to him yourself?—Yes.

Did you get a receipt?—No, I did not ask him for one.

On March 3rd, you paid \$50?—Yes.

Cross-examined by Mr. Calthrop: Are you quite sure you paid \$40 and not \$30?—I paid \$40.

What makes you remember so particularly that you paid \$40?—I gave him four ten dollar bank notes and made a note of the date in my pocket-book.

You made a declaration in this matter on 27th May?—Yes.

Why didn't you say in that declaration that you made a note of the date?—I was not asked.

You were not told at the time of the declaration that Mr. Dixon's books showed only \$30 had been paid?—No.

Mr. Hastings did not tell you that?—No.

If his books had shown \$30 and not \$40 and you had been told that, would you have been prepared to swear that?—I swear I paid \$40.

When did you first see Mr. Hastings?—I did not go to Mr. Hastings. I went to see Mr. Dixon.

What made you go there?—I used to go frequently to see how my case was standing.

Did you speak to Mr. Hastings in English or was there an interpreter?—I spoke to him myself.

Then you understand the questions I am putting to you without an interpreter?—I can't say I understand everyone of the questions. Since I left the police force I am a bit deaf.

If I speak loud enough do you understand me?—Yes.

After the statement was taken down what happened?—I left the office.

When did you next see Mr. Hastings?—I had been many times afterwards, and on one occasion I was told my case would not be put before the Governor in Council.

When did you next see Mr. Hastings with regard to the payment of \$40?—I did not go to him again.

Have you seen Mr. Hastings in connection with the present inquiry?—No.

Do you know what this inquiry is about?—No.

Do you know what the matter is concerning which you made a statement?—I was asked to make a statement.

Who asked you?—About ten days after the 27th January I went to the office and Mr. Hastings asked how my case was going on. I said Mr. Dixon said he would write to the Governor. Then he asked how much I had paid to the office and I said \$40. Then he took down my statement.

What happened?—Then I signed the statement.

Who was present?—Nobody was present, but Mr. Wilkinson came in and signed the statement.

Did you go to any solicitor's with regard to your case?—I went to Mr. Wilkinson and got a petition sent to England.

What made you change from Mr. Hastings to Mr. Wilkinson?—Because Mr. Dixon told me they would charge me \$200 for sending a petition to the Secretary of State. I thought that was too much.

Did you not have an interview with Mr. Hastings and Mr. Dixon as to the cost of sending a petition to England?—I only went once. I saw Mr. Dixon alone.

Did you not have an interview with Mr. Hastings and Mr. Dixon?—Yes, many times.

And wasn't the cost of sending a petition to England discussed at these interviews?—Yes. Mr. Dixon sometimes told me alone they would charge me \$200, and sometimes Mr. Hastings and Mr. Dixon said so.

Why did you say you did not discuss it with Mr. Hastings?—Mr. Hastings and Mr. Dixon told me the cost of sending a petition to England would be \$200.

Was that in addition to what you had already paid?—Yes, \$200 in addition to the \$90 paid already.

Do you know Alannah?—No.

Do you know an Indian draper?—There are many Indian drapers.

Do you know one who lives over Mr. Hastings' office?—No.

Have you ever spoken to any Indian about this case?—I can't remember.

Do you remember any Indian in Mr. Hastings' office asking you about it?—I can't remember.

Didn't you tell an Indian you met in the building where Mr. Hastings' office is that you had paid \$80 for this case?—No.

How was it you came to leave the police force?—A made-up case was brought against me.

What was this case about?—An indecent charge.

With whom was this charge of indecency made?—A Chinese lukong.

And you were in consequence of that dismissed from the force?—Yes; that is so.

And lost all your pension?—Yes.

Did you before you left the force sign a confession of your guilt?—No; I did not sign a confession. I said I had witnesses who could give evidence for me, but they were not called at all.

Did you sign a document?—I did sign something which the Assistant Superintendent of Police made me sign. He said he would write the Government about my pension.

Did you sign a blank piece of paper above which the Assistant Superintendent of Police wrote something?—Yes.

Re-examined by Mr. Potter: Did Mr. Wodehouse give you a character when you left the police force?—Yes.

Mr. Potter then read the character, which was couched in complimentary terms, saying that it was, however, necessary in the interests of discipline that the offence should not be over looked.

This concluded the case for the applicant.

MR. DIXON IN THE WITNESS BOX.

Clive Fletcher Dixon said he came from Northwich in Cheshire. His father was a solicitor practising in Northwich and Winsford. He was in business for himself and had been in practice for 40 years on his own account. He had a partner until about 20 years ago. Witness had five brothers, two of whom were in the legal profession. The elder was articled in Liverpool and was now a partner in the firm of Martin and Dixon at Nantwich. His other brother passed his final examination last June and was now with his father. Before witness came out here he communicated with Mr. George Hastings on his father's notepaper and during the four years he had been here he had been on fairly friendly terms with Mr. George Hastings, with whom he had talked occasionally over family affairs. Witness was articled to a firm of solicitors, Thomson and Macmaster, in Liverpool in 1894, and after he passed his final he was engaged as conveyancing clerk in the city of Hereford, where he remained two years. From there he went to the firm of Simpson and Simpson in Leeds and remained there two years, when he went to his father with the idea of managing his Winsford practice. He was with his father a year before he came out here. Witness got into correspondence

with Mr. George Hastings through answering an advertisement in the *Law Times* and had an interview with Mr. Hastings in Preston. Mr. Hastings said he was acting on behalf of his brother, Mr. John Hastings, of Hongkong. He told witness the salary his brother was prepared to pay and said he was coming out to join his brother with a view to succeeding him in the business. Witness discussed the terms and witness asked what were his prospects if he came to the East. Mr. Hastings said that if he suited he should eventually obtain a partnership. Witness furnished him with testimonials and health certificate and entered into a four years' agreement. He arrived here on 6th October, 1904. Under that agreement he was paid £325 a year. He stayed at the Peak Hotel on first coming here and shared a room with a man. He thought it cost him about \$110 a month. He had very little other expenses that year. They would not average more than \$150 a month. During that year he received something like \$275 to \$300 a month. He saved more than \$100 every month. When he had been here six months Mr. Hastings went home on leave and he gave witness an increase in salary before he left.

Why?—One reason was that exchange went up very high and I complained.

When did you get the next rise?—Probably in October, 1905. Under my agreement I was entitled to £25 rise after my first year.

Did you get a rise after that?—I don't think I was entitled to a rise in the second year. I asked to be put on a dollar basis. I was paid sterling, but on a fixed dollar basis of 1/11.

Before Mr Hastings left in 1907 what did you do?—I communicated by letter to Mr. George Hastings.

What about?—I asked for something more definite than a verbal promise that I should have a partnership.

Have you a copy?—I made a draft before I sent it and have the draft now. Negotiations for the agreement were carried on between Mr. John Hastings and myself.

What agreement?—My second agreement in 1907.

Had Mr. George Hastings been made a partner?—In January.

After this did you get the agreement of 17th April, 1907?—I did.

In the month before March you were acting in the Reuter, Brockelmann case?—I was acting for the Kwong Hing Cheong firm who brought an action against Reuter, Brockelmann & Co.

Who were the plaintiffs?—The Kwong Hing Cheong firm of silk merchants. Large sums were paid on account of costs amounting in all to \$13,000 or 14,000, a good deal of which was paid to me personally in fairly large sums. Whenever I received the money myself I entered it in the rough cash book. The entries indicate who receive the money, the signatures on the receipts do not count for much. Your Lordship will probably remember some of those receipts were signed by Mr. George Hastings, although my writing appears in the cash book. I should say a great deal of this money paid in respect of costs was not paid by the witness Wong Hui Tung himself, but paid by his agent in Hongkong. He was always careful to obtain a receipt when he paid money and to have it translated by the interpreter. Both he and his agent were careful men.

On January 27th, 1908, what was the state of the action?—I should imagine that the pleadings were about closed.

There is an entry, \$500 on account of costs?—Yes.

In whose handwriting is that?—Mine.

Was anything else paid to you by the Kwong Hing Cheong on that day besides the \$500?—No.

Did you ask Wong to lend you any money?—I did not.

Does Wong talk English?—Not a word. Hung always acted as interpreter.

Did you receive \$200 that day as a loan?—No.

Did you receive it as a present?—I did not.

Look at the 15th May. —Kwong Hing Cheong further on account of costs, \$350.

Did you receive that money?—I think so. It is in my handwriting.

On that occasion did you ask Wong Hui Tung for any money?—I may have asked him for the \$350. Probably I asked him for that on the previous day.

Did you ask him for a loan?—I did not.

Did you ask him to give you any money?—I did not.

Is it true he paid you \$150 for yourself?—It is not true.

Look at 23rd June. Kwong Hing Cheong, action against R., B. and Co., further on account of costs, clients \$1,500.—That would go to the clients' account.

Did you receive that yourself?—I think so. It is in my handwriting.

Did you ask Wong Hui Tung for any money on that occasion except \$1,500?—I did not.

Did you receive any money from him except the \$1,500?—I did not.

It is untrue when he says he lent you \$20 on that day?—It is untrue.

Will you look at the entry 29th June? Kwong Hing Cheong firm further on account of costs, clients \$3,500.—That is in Kent's handwriting, I think.

Did you receive that \$3,500?—I did not.

Do you know who received it?—It was received on the 27th, two days previously, by Mr. Hastings, but the bank being closed it was kept in the safe.

Did you have any money paid you that day by Wong Hui Tung?—None.

Did you ask Wong Hui Tung on that day to lend you any money?—I did not.

Did you receive money on that day as a loan or as a gift from him?—I did not.

Have you ever at any time asked Wong Hui to give you or lend you any money?—I did not.

Did he ever at any time lend or give you any money?—Never at any time.

When was the action tried?—It was tried before a special jury near the end of July.

After the action was tried and before the question of appeal arose did you ask Wong Hui Tung to pay any more money?—No.

Is it true you were paid on July 23rd, \$500?—It is not true. The Chief Justice had reserved the question of costs on that action. Judgment was given on that question about July 25th, and it would have been unnecessary to ask for costs until judgment was given.

You say it is untrue Wong Hui Tung paid you \$500?—It is untrue.

It is untrue that he paid it and that he asked for a receipt?—It is untrue.

Witness mentioned that he frequently saw Wong in connection with the appeal and that he put entries in his diary when there were chargeable items. After judgment was given against Reuter, Brockelmann and Co., they took the preliminary step for appealing to the Privy Council, but ultimately abandoned that idea. Prior to that witness explained to Wong that if the appeal was proceeded with it would be a costly business and explained that it would be necessary to ask him for a further substantial sum on account of costs incurred here and in London. Previously witness had received out of the court the money deposited by the Kwong Hing Cheong as security for costs and that had been credited to their account in the ledger. They were of opinion that it was unnecessary to pay anything further for costs at that time, but he satisfied them that the request was a reasonable one. Then Wong asked for an account which was given and fully explained to him. That account was a copy of the ledger and he said he had not been credited with \$2,000 which he had paid. Witness had before him the portfolios which form the bills of costs. The entries in his diary were copied on the work sheets and they formed the bill of costs.

The Chief Justice—He said the account was \$2,000 wrong.

Witness—It was. I told him the money was in two banks. I had not given instructions for him to be supplied with a copy of the ledger. The instructions I gave were that he should be supplied with a statement showing how matters stood between his firm and Messrs. Hastings and Hastings. It was by mistake that he was supplied with a copy of the ledger, which was unintelligible.

Witness added that he explained the account in detail, and on the 11th January, 1908, the firm paid \$2,000 for costs. Reuter, Brockelmann decided not to go on with their appeal, and when Hastings and Hastings had made out their solicitors and clients bill they were then in a position to settle up with the client. Witness then mentioned what took

place at the interview with Wong as to settling up. He prepared the final account, which was explained by Tam to Wong, who seemed to be satisfied except with regard to two items—one of \$6,000 and another of \$3,000 solicitor and client. He asked that these should be reduced, and witness replied that he would go through them again and would do so if he could. He called a day or two later. By that time witness had prepared the final account. It had been copied and Mr Hastings asked witness to go through it and see that nothing was omitted. He did so and made a few alterations. He made it a little more. Wong asked to be allowed to have something of the money standing to his credit and Mr Hastings asking witness if he approved, the latter replied that they might let him have \$10,000 on account. A cheque for that amount was made out and handed to him. He remembered being consulted by Wan Hi on the 8th January.

Who brought Wan Hi?—He was brought into my room by Tam who was interpreter in connection with that matter.

What happened at that interview?—The man informed me that a friend had been arrested on a charge of administering a noxious drug with a view to procuring abortion. He said the case was coming on that day. He said his friend's name was Wan Sui Po, and he asked what our charge would be. As the charge was a serious one and might be committed to the sessions I could not be too speculative and mention a lump sum. It is my invariable practice when a sum is agreed upon for costs to enter it in the rough cash book, I don't think there was any agreement as to costs. I asked him to pay something on account before I would go up to the Police Court, because in cases of this kind we do not give credit. He paid \$30 and I and he and Tam went up to the Police Court. The police told the Magistrate that unless they had further evidence they did not intend to go on with the case. The Magistrate adjourned the case, and as the police had intimated they would not be likely to proceed I did not trouble to take the man's statement. The Magistrate assured me that if the case came on again he would give a formal remand if the police were going on with it.

It is not true that Wan Hi went to see you after the case?—It is not true.

Nor that he paid \$20 to you?—It is not true.

Is it true you placed the \$20 in your right hand drawer?—No.

You heard Tam say that he saw you place the money in your drawer?—Yes.

Have you ever done so?—No, that is my private drawer. I have frequently received money from clients and not been able to hand it over to the cashier, and I always put all money belonging to the office in my safe. It is just as easy to put it there as in my drawer.

The Chief Justice—Have you a safe in your room?

Witness—Yes, it was my safe.

Not your own safe?—In my room while I was there.

The hearing was adjourned.

SEVENTH DAY.

MR. DIXON'S EXAMINATION CONTINUED.

Witness said he saw Gulab for the first time in January.

The Chief Justice—We are not disposed to pay much regard to Gulab's evidence. I think that charge might be dropped. We could not possibly accept his evidence supposing it stood alone, and it certainly does not strengthen the case in any way. Therefore in these circumstances I think that part should be dropped.

Witness spoke to seeing Captain La Pique on 26th March. Captain La Pique gave him a power of attorney in his name to sell 650 shares of the Messageries Cantonaise to a Chinese syndicate for whom witness was acting. Witness took the Captain into Mr. Hastings, to whom, he introduced him, and on explaining the business on which Captain La Pique had come, Mr. Hastings suggested that his name should be added to that of Mr. Hastings. This was done. After that interview Mr. Hastings said he wanted to speak to him after five o'clock and witness went to his room after the staff had left. Mr. Hastings said he wanted to speak to him about a very serious matter. He said he had reason to believe that

witness had been taking money intended for the office. Witness denied the charge. Mr. Hastings said he had made independent inquiries and he was sure that it was so. He said he had seen witnesses and had obtained their written statements and that he had forwarded these statements to his brother, from whom he had received a cable telling him to do what he thought best. I emphatically denied the charges and asked for particulars of the alleged acts of misappropriation. He said he was not then in a position to give me particulars, but that they consisted of small sums received in respect of police court cases. He said I must go away and suggested I should go to Japan ostensibly for a holiday and that I should never return. He also suggested that I should go to Shanghai and start there. He said I would do very well there. He also said that Hung Kan Ming was in it with me. These were his words. He said he had seen Hung, who had made a clean breast of it. I told him I knew nothing about the charges, and as he made the charges it was better that I should stay away from the office until the matter was disposed of. He told me not to do that, but to come to the office as usual. He also said if I would go away he would undertake that no one in the East would know why I had gone. He had spoken only to two friends about the matter and they were very discreet. He told me to think over his suggestion that I should go away, and the interview ended. I went back to my room and I had been there a few minutes when Mr. Hastings called me back to his room. He said he did not want to ruin me, but unless I would resign he would prosecute me. I again told him I had never taken any money intended for the office. I told him I had presents from one or two clients, and he said he had proof that I had embezzled the firm's money. I told him I had no occasion to steal small sums of money as he suggested and I told him I had always on current account at the bank somewhere about \$1,000. I reminded him that I had \$4,000 on joint mortgage with Mr. John Hastings. He said the whole cause of the trouble was living as I did live and spending more money than I could afford. I said that my ordinary expenses did not exceed \$350 a month I thought, and he said it was impossible to keep up a separate establishment on that amount. He again said that I should think over his request to go away and the second interview ended.

Did you go to the office next day?—Yes, I went as usual. I was trustee of a bankrupt's estate. I am now; I had a separate banking account with reference to that estate. In that account I had \$1,200. Next morning Mr. Hastings asked me to transfer this money from my trust account to the firm's clients' account. The request was by letter and he did not give any reasons. I drew a cheque at once and it was paid into the clients' account at the office. The next day, Sunday, 28th, I made a careful note in writing of everything that had taken place in the interview with Mr. Hastings, and I handed that note to Mr. Harston a day or two later and it has been in his custody ever since.

After that did you receive a letter from Mr. Hastings?—Yes, on 31st March. It was brought into my room as I was leaving.

That was the letter which has been put in?—That is the letter of accusation. It is the letter in which Mr. Hastings accused me of taking money.

What did you do?—I went to see Mr. Harston next day. The same evening I saw Hung Kam Ning. I arranged with Mr. Harston to take Hung's statement. Mr. Harston had an interview with Hung at which Hung made a statement. I was also present.

What happened after that interview?—On the day afterwards, Messrs. Ewens and Harston wrote a letter to Mr. John Hastings on my behalf denying that I had made any admissions. Letter read.

On that day did you receive another letter from Mr. Hastings?—Either that day or the day before I received a letter from him asking me to return my agreement signed by me cancelling my agreement with the firm.

What happened then?—After Mr. Hastings had received the letter from Messrs. Ewens and Harston he sent for me to see him in his room, and I went. He said: "Well, Dixon, so you have determined to fight me." I said, "I don't want to fight, but I can't go away as you

want me to." He said, "If you don't go away, I will ruin you." He also said, "Why don't you go to Canada? If I were a young man down in my luck I should go there. There is plenty of money to be made there." I said I preferred to stay in Hongkong, where I could make a little. I deny, my Lords, that I asked him to allow me to practise in Hongkong. He said he would not allow me to practise in Hongkong, as I should cut into his business. I told him I did not think I should do him much harm, and I told him I was prepared, if he desired it, to give an undertaking not to do work for certain people who he really could say were his clients. He said such an undertaking was not practicable. He also said, "What will all the other solicitors say if I allow you to start and open your own office here?" There are two many solicitors' firms here already." I told him I could possibly get a partnership in some firm here, and he said "No one will give you a partnership after I have finished with you." He said I had admitted taking office money. I told him I had not, and he said no one would believe my word against his. I then left his room.

Did you instruct your solicitor to write to Mr. Wilkinson on the 6th April the letter which was read?—Yes.

Did you continue at Messrs. Hastings and Hastings after that?—Yes. I remained there until 30th April, and in the meantime negotiations had been going on with a view to have the matters in dispute settled by arbitration. At that time it was considered to be in the interests of both parties to avoid publicity. But Messrs. Hastings and Hastings violated that arrangement by suspending me on a miserable pretext, as I shall show your Lordships, and putting me in a doubtful light. Your Lordships will remember that Mr. Hastings in his evidence stated that one of the grounds for suspending me was that he had received complaints from clients as to my manner towards clients.

Mr. Calthrop—Can you explain that?

Mr. Dixon—Yes. The instance Mr. Hastings gave was the case of a man—I forget his name—who, Mr. Hastings said, complained that I was rude to him. This man was a fisherman, and he was brought to Mr. John Hastings' office by one of Ah King's boatman who knows Mr. Hastings. He had a claim against another boatman, and Mr. Hastings asked me into the room and asked me if I would take the necessary steps for having defendant's boat attached. I made application and filed the usual affidavit in support to the effect that the defendant was about to remove his boat from the jurisdiction of the Court, and it was attached. Messrs. Wilkinson and Grist, who appeared for the defendant, at once applied to have the attachment discharged. They filed an affidavit to show that plaintiff had practically pirated the defendant's boat on the high seas, brought her to Shaikwan and then attached her.

The Puisne Judge—Your don't want to go into details.

Witness—It is important that your Lordships should know what happened, because Mr. Hastings accuses me of my manner towards clients. Subsequently Messrs. Wilkinson and Grist wrote on behalf of the defendant accusing our client, the plaintiff, of having stolen the books belonging to the defendant from the junk. I sent for my client and saw him in my room, which is divided from Mr. Davidson's by a partition, while Mr. Hastings' room is on the other side. I asked my client whether he had done this. First of all he denied all knowledge of the books.

Mr. Potter submitted that conversation could not be taken as evidence.

The Chief Justice—This is in explanation. The issue is raised definitely by Mr. Hastings' letter in which he stated that Mr. Dixon behaved badly to his clients, and Mr. Dixon is explaining.

Witness, proceeding, said the man said the bailiff had done it without his authority, and then he said he had asked the bailiff to do it. He gave three or four absolutely inconsistent excuses. I told him he was lying and that he would not get judgment if he went into Court. I was angry with him. Mr. Hastings heard me and came into the room. Ah King's man asked Mr. Hastings if he would take the case because he knew him. And

this case was one of the excuses raised by Mr. Hastings for suspending me.

Mr. Calthrop—When did you first hear this specific ground of complaint?—When Mr. Hastings gave his evidence in Court. I challenge Mr. Hastings to show that my conduct towards any respectable Chinaman has not been exactly what it ought to be.

Were you suspended?—Yes. I only went to the office twice, when Mr. Davidson asked me to explain some matters which I had in hand.

What was the next thing that happened?—On 29th May I received a letter from Messrs Hastings and Hastings discharging me.

Letter read.

With regard to this paragraph, "Notwithstanding your promise to Mr. Hastings," had you made any promise to Mr. George Hastings?—No.

With regard to your living expenses are you ready to produce all particulars?—I am.

Where do you keep your banking account?—Hongkong and Shanghai Bank.

Are you willing to produce your accounts at the Bank?—If they are required.

The Chief Justice—What?

Witness—If the other side wish to see them. The Chief Justice—It is for Mr. Dixon to take the onus.

Mr. Calthrop—Yes, my Lord.

The Chief Justice—What is your contention on this point?

Mr. Calthrop—I am willing to produce all accounts so show how he spent his money.

The Puisne Judge—What he received or what he spent?

Mr. Calthrop—I am putting it both ways.

The Chief Justice—You say if the other side is willing.

Mr. Calthrop—I do not think it necessary for us to produce them, but we think it more reasonable to produce them and say "There they are. If you want to examine them do so."

The Puisne Judge—Has there been a discovery in this case?

Mr. Calthrop—No, my Lord.

The Chief Justice—It is only an issue. It is not exactly a civil procedure. It is an issue on the motion. There are no preliminary proceedings. What have you to say, Mr. Potter?

Mr. Potter—My friend says I can see Mr. Dixon's banking account if I wish. I have not the slightest desire to see it.

The Chief Justice—The question was—I am ready to produce all particulars of my expenses. I bank at the Hongkong and Shanghai Bank. Have you anything to suggest on the point?

Mr. Potter—if I come to cross-examine on this point my friend can go into it more fully afterwards. At this stage I have nothing to suggest.

The Chief Justice—We will adjourn for five minutes to discuss it.

When the Court resumed,

The Chief Justice said—We think in a subordinate issue the onus does not lie on the side complaining, but in a subordinate issue which Mr. Dixon may think important he must take the onus of proving it if he thinks necessary. He must not throw it on the other side inferentially. If he does not he must take the risk of the court drawing such inference from the facts as we are led to. It was necessary we should consider this very fully, because the suggestion was thrown out by Mr. Dixon that the other side could see the accounts.

The Puisne Judge—I should like to add to what the Chief Justice has said, if they are put in by Mr. Dixon they must be his evidence and part of his case.

Examination continued.

How much a month have you received since you came here?—In the first year \$275 a month, in the second year \$25 a month more, an average of \$300 a month; in the third year about \$375, and in the fourth year about \$455.

The Chief Justice—Is that salary and commission?

Witness—Yes. I have also received \$30 a month interest on a mortgage of \$4,000 for four years.

Where did you get that money?—From home.

Did you receive other moneys from home?—Yes. I received £100, £60, £70, and £40—£270 in all.

You had the £400 from home?—Yes.

In your first year what did you do with your salary?—I saved money each month.

What have your living expenses been this year on an average?—Ordinary household expenses about \$325.

What rent do you pay?—\$140 a month.
Do you go to the Dairy Farm for things?—Yes.

Can you produce their bills?—Yes, for nine months. The average is \$11.40 a month.

What do you pay the Mutual Stores?—A monthly average of \$19.52.

And Weissmann?—A monthly average of \$4.31.

Have you got your cook's book?—Yes; monthly average \$60.

What do you pay for servants' wages?—\$60 roughly.

What does your coal cost?—\$13 a month.

What are your Club expenses?—For seven months at the Hongkong Club the monthly average is \$12.68.

What do you pay at the Golf Club?—The monthly average is \$5.20, but that does not include the annual subscription. There are some other accounts I have not got vouchers for. I was paying Messrs. A. S. Watson a few dollars each month.

Then the total comes to about \$325 a month?—That is so.

Have you instructed the bank to make out a certified account?—I have.

With regard to your diary, what have you got to say?—Do you mean with regard to Police Court cases?

Yes.—I say with regard to my diary, that by comparing it with that of any other solicitor in Messrs. Hastings and Hastings, it will be seen that mine is properly kept. The object of making entries is that bills of costs shall be made out from these entries. Sometimes entries are made in a diary of important matters of record, not for the purpose of making out bills of costs. In ordinary Police Court cases where costs are paid, as a rule, in advance, there is no necessity to make an entry in the diary because no bill of costs is ever made out. In litigious matters, where a lump sum is paid for costs, it is always necessary to make detailed entries in diaries. I have never been in the habit of making entries with regard to police court cases, and there has never been any complaint as to the way in which I kept my diary.

The Chief Justice—Are the diaries inspected?—I don't think so.

Is your diary open to inspection?—Yes.

Where do you keep it?—On my desk, unless the costs clerk is using it copying out entries. Continuing, witness said—In the majority of cases my diary contains no record of Police Court cases, the costs having been paid in advance. I should like to point out to your Lordships the very significant fact that this entry with regard to Wan Hi is in Mr. Kent's handwriting. Never before or since that occasion has he ventured to make an entry in my diary.

The Chief Justice—Is that in your diary?—Yes.

The Puisne Judge—Did the fact come out in cross-examination?

Mr. Potter—No.

The Chief Justice—Are all the entries throughout your diary in your handwriting?—No, I dictated them to Tam sometimes, but it is not Mr. Kent's duty to write anything in my diary.

The Puisne Judge—I don't think this was put to Mr. Kent?

Mr. Potter—No, but I think the statement was volunteered by Mr. Hastings in his evidence in chief.

The Chief Justice—Mr. Kent must be recalled.

Mr. Calthrop—What powers had you with regard to arrangements for costs?—I exercised my discretion, being absolutely without any supervision. I frequently consulted with the partners in heavy matters.

Then what did you do with regard to Police Court cases in which you received certain sums and the case did not take any length of time?—If I agreed to do a case for \$50, and a man paid \$20 or \$30 on account, and if when I got to the Police Court I found the charge withdrawn, I never thought of asking the client for the balance.

The Chief Justice—In a case like Wan Hi's, you would never think of asking for the

balance?—No, my Lord. I would consider myself very well paid, and moreover, if he had paid \$50 and came and asked me to refund part, I should have done it.

MR. DIXON CROSS-EXAMINED.

I believe, Mr. Dixon, you joined the firm of Messrs. Hastings and Hastings in October, 1904?—I did.

And may I take it that from October, 1904, up till March 26th of this year you were on good terms with Mr. John Hastings?—Not on very good terms since his return in October last.

Do you suggest you were on bad terms?—No, I don't. But we were not on such good terms as previously.

Do you suggest you were not on friendly terms?—No.

Then what do you mean?—That we were not on such friendly terms as before.

You told my friend that six months after you came to the firm of Messrs. Hastings and Hastings your salary was voluntarily raised?—I believe it was.

At that time Mr. John Hastings had no partner?—He had not.

So therefore he alone would be responsible for this voluntary rise?—Absolutely.

The Chief Justice—That was the time when exchange was falling?

Mr. Potter—No, that is another case. This is a voluntary rise of salary six months after he joined the firm.

Witness—Exchange rose to this extent: that although I got a rise in salary of £25 a year, I was not getting any more dollars than when I came here first.

The Chief Justice—I think you said the first rise you got was in consequence of a rise in exchange?—

The Puisne Judge—Then the first rise in your salary had nothing to do with exchange?—No.

Mr. Potter—That did not show an unfriendly attitude at any rate, did it?—It did not.

Now, sometime later on you asked to be put on a fixed dollar basis?—That is so.

In October, 1905, were you not voluntarily given a commission of one per cent. on the business done? It may have been in October. And that was not in your agreement at all?—No.

That was the second voluntary rise?—I was entitled under my agreement to a rise at the end of my first year.

And at the end of that first year you got the rise as well as this one per cent. commission?—It is quite possible.

In April, 1906, you asked to be put on a fixed dollar basis, and I believe the exchange had gone up to about 2/2?—Yes.

And your wish was immediately acceded to, is that so?—Yes; I don't think they hesitated about it at all.

You were to be on a 1/11 basis, although the exchange was considerably higher?—Yes. It was considerably lower when I came out here, though.

And of course that was not in your agreement either?—No.

So that up to April, 1906, you had got a voluntary rise in salary, a voluntary present of one per cent. commission, and at your own request your salary was fixed on a dollar basis?—That is so.

So I take it your relations with Mr. John Hastings at that time were quite friendly?—Yes.

On April 15th, 1907, you entered into a fresh agreement whereby you should get a partnership at the end of five years?—Five years from 1st January, 1907.

As you put it yourself, you asked for something more definite than a mere verbal promise of partnership?—That is so.

And you got it?—I did.

You also added that Mr. John Hastings took no interest in the matter; surely as senior partner in the firm he must have been very much interested in the matter?—In his own evidence he said he left the matter to his brother.

At any rate, he ratified any suggestion made by his brother?—He signed the deed.

So that I may take it Mr. John Hastings was satisfied with the way you were doing your work, and that he was satisfied with you?—I think so.

I put it to you that you were a valuable man to the firm of Messrs. Hastings and Hastings? I am not putting it in a complimentary way—You have had Mr. Hastings' evidence as to that.

You agree?—I think they considered I was a valuable man at that time. There was only Mr. George Hastings and myself there while Mr. John was away.

Do you suggest that they don't at the present time consider you to be a valuable man?—I am not so indispensable now as I was then.

When did you cease to become so indispensable?—After Mr. Davidson came out here and got into the way of the work.

Mr. Davidson, I believe, came out in October, 1907?—Yes, nearly two years ago.

So it has taken nearly two years to make you "not so indispensable"?—Yes.

Mr. John Hastings was away from April, 1907, to October 1908?—Yes, eighteen months.

Do you suggest that it is because you are not so indispensable that this case is brought against you?—I suggest that this case has been brought against me because Messrs. Hastings and Hastings are of opinion that they can get on just as well without me, and possibly save themselves a good deal in the way of salary, holidays and an ultimate partnership.

You suggest therefore that in order to save salary, and commission, and holidays, Mr. John Hastings has gone into the box and perjured himself?—I suggest that Mr. John Hastings in the first place was misled.

Mr. Potter—Will you give me an answer?

The Chief Justice—That is perfectly correct.

Witness—And that he has been anxious and eager to accept the statements that have been made to him by the Chinese as an excuse of getting rid of his liability to me under the agreement.

Do you suggest that he is still only misled?—No.

What do you suggest now?—I suggest that he has wilfully and deliberately misconstrued my statement to him that I had received presents from clients, into an admission that I had embezzled his firm's money.

In other words, that he has wilfully misstated what took place at the interview?—That is so.

Does not that amount to perjury; to wilfully misstate a material fact?—It does.

Therefore your answer is that Mr. Hastings has wilfully committed perjury in order to save salary, commission and holidays, is that so?—That is so.

You might just as well have said it in the beginning—You asked me if it did not amount to wilful perjury, and I said it did.

Do you suggest that he has entered into a criminal conspiracy with the witnesses; or do you suggest that he was only misled?—I cannot offer any suggestion on that.

Can you give me any other motive for Mr. Hastings committing perjury in this way except that he wished to save salary, commission and holidays?—To strengthen his case as well.

I don't want to argue: that is not a motive. Question repeated:—To strengthen his case, I repeat.

Do you mean in order to get rid of you from the firm?—Certainly.

In order to ruin you, in other words?—That will be the result of it if he is successful.

Are you not aware that Mr. Hastings is leaving the Colony in October of this year?—I am not.

Were you ever aware of it?—I understood when he returned last October that he was going to stay for six months only.

And then that he was going to retire from the firm?—That was the rumour.

Now that you have heard Mr. Hastings stating that fact in the box, do you believe the rumour was true?—Mr. Hastings stated that he was going to leave at the end of the year.

You accept that statement of Mr. Hastings?—I am not disposed to dispute it.

And that he was going to leave the business to be conducted by his brother George?—Yes.

And you've told us along that with George you were on very friendly terms?—I haven't told you so, but I was.

If Mr. Hastings was leaving in October, would not your assistance be more necessary than ever it was?—I don't think it would,

because Mr. Davidson has come out since George and I alone managed the business.

Hasn't there been three solicitors in the firm of Hastings and Hastings ever since you came out?—The first year that Mr. John was away, Mr. George and I alone managed the business.

I put it to you that the few months before Mr. Davidson came out was the only time when there were two solicitors only in the firm?—That is not so. From March, 1905, till March, 1906, there were only two solicitors in the firm, Mr. George Hastings and myself.

I put it to you that now when Mr. John Hastings leaves this colony in October, you are practically indispensable to the firm of Messrs. Hastings and Hastings?—I don't think so now that Mr. Davidson is out.

Was not Mr. George relying on your assistance after the retirement of Mr. John?—I don't know.

At any rate, if Mr. John Hastings intended to leave the business at the end of this year, what would be his object in trying to save salary, commission and holidays?—He would still take his share of the profits of the business. The goodwill belongs to him and I suppose he'd want to be paid for it.

If he handed it over to his brother, would you then suggest that he would perjure himself to save salary, commission and holidays?—That is a hypothetical question I am not prepared to answer.

At any rate it is a matter that would affect Mr. John Hastings?—What? Giving up the goodwill?

Saving salary, commission and holidays?—I don't think it would.

One thing you are certain of, and will swear, is that in order to save salary, commission and holidays Mr. John Hastings has perjured himself?—That is so.

As to this interview of 26th March, I think we are practically agreed as to what was said at the first portion of the interview. Mr. Hastings charged you with having taken certain monies, said he had proof of it, and you denied it?—That is so.

And you agree that Mr. Hastings gives a correct account of that first part of the interview?—Quite.

He called you back, and I put it to you he said this, "I have no wish to prosecute you, but I don't see how I can possibly keep you in my office after what has occurred?"—He said, "I don't want to ruin you, but if you don't go away or resign I shall prosecute you."

Mr. Hastings says you stated that you admitted taking money, but they were only small sums, and there were only a few occasions when you did it?—I deny having said that.

Do you think that that is a *bona fide* mistake or an invention?—I think it is an invention.

So that Mr. Hastings' evidence is really a mixture of truth and lies?—That is so.

You also agree that he suggested that you should go to Japan?—He did, and Shanghai.

Did you tell him that the only things you had received from clients were presents?—I did.

Why did you not put that in your affidavit?—I can substantiate everything in it. It is a much more complete affidavit than Mr. Hastings'.

Why did you not put this matter of receiving presents in your affidavit of June 10th?—I did not think it was necessary.

What?—I did not think it was necessary. I was acting under advice.

Bearing in mind your answer of a few minutes ago, that Mr. Hastings had misconstrued these words of yours about presents, didn't you think that it was of vital importance that it should be in your affidavit?—No, I did not.

The Chief Justice—I don't know in what manner this affidavit was put in, or why it was put in.

Mr. Potter—It was put in in this case.

The Chief Justice—Has it been referred to before?

Mr. Potter—No.

The Chief Justice—For what purpose was it put in?

Mr. Potter—When we put in an affidavit in support of the motion that Mr. Dixon should be struck off the rolls he replied with this affidavit. (To witness)—I want to know again, Mr. Dixon, why did you not mention this matter about presents; you know in a measure it was a defence?—It was not considered necessary to

put it in at that time. These affidavits were only to make a *prima facie* defence. We are not bound to disclose all our cards in that affidavit. I made a note of it two days after the interview with Mr. Hastings.

At any rate you did not think it of sufficient importance to put it in your affidavit?—We did not think at that stage of the case that it was necessary to put more in the affidavit than is in it.

I put you agree it is a very important fact?

It may be an important fact ultimately.

You admit, Mr. Dixon, that you have taken presents from clients?—When the transactions were completed: never during the progress of a case.

What form did these presents take?—I have had articles of jewellery and on a few occasions I have had money for the purpose of buying something. I had two blackwood chairs once.

Was this with the knowledge of your employers?—When I have presents?

Yes—I received last Christmas a silver cigarette box which I showed to Mr. John Hastings.

Then it was without their knowledge?—No, with their knowledge.

When you received the money were your employers aware of it?—I don't know. I think that I received a present of money last summer and Mr. George Hastings was aware of it, or I think he was.

The Chief Justice—You say you received money to buy something. Did you invest the money in buying articles?—Well, possibly not, my Lord.

Mr. Potter—Can you tell what the amounts were? I received £100 on two occasions and \$50 on two occasions. That is practically all I have received in money.

Can you suggest why Mr. Hastings should write this private letter to his brother?—It was part of the scheme for getting rid of me.

Do you know that this letter could not be put in as evidence by Mr. Hastings himself?—That is so.

How, therefore, could it assist him in his scheme for getting rid of you?—He mentioned in his affidavit that he had written this letter.

How could it support his scheme to get rid of you?—That is a point of law which I am not prepared to discuss.

It is not a point of law. How could it assist his scheme to get rid of you?—Can't you answer?

The Chief Justice—He has answered that it was referred to in Mr. Hastings' affidavit.

Until you received this letter of the 31st March from Mr. Hastings had you done anything at all in this matter?—I put down in writing what took place at the interview I had with Mr. Hastings.

Did you take any other steps?—I saw Mr. Hung.

When did you see him?—I tried to get hold of him on the 28th March and succeeded on the 31st March.

Had you seen Mr. Harston at this time?—No.

Can you suggest any reason why Mr. Hastings should write this letter to you?—He wanted to get rid of me.

It was part of the scheme?—It was.

Do you remember at what time you received this letter?—It was brought to me just about a quarter to five.

And later you saw Mr. Hung?—Yes at my house.

When did you see Mr. Harston?—Next morning.

Is Mr. Hung in the colony at present?—Your clients communicated with him last. I don't know. One of your witnesses says he is in Canton.

Are you calling him as a witness?—I am not.

Don't you think he would be a valuable witness for you?—Don't you think he would be essential on your behalf.

Will you answer the question?—Don't you think he would be a useful witness on your part?—I think he would be a most valuable witness on my behalf if he repeated in court the statement which he made to me in presence of Mr. Gedge and Mr. Harston.

Why did you not get him to make an affidavit?—He declined.

You had interviews with him on several occasions and he declined to make an affidavit?—Yes.

I take it when you went to Mr. Harston that you thought it of considerable importance that you should clear your character of these charges?—Yes.

That was one of the objects with which you went to Mr. Harston?—Yes, and to prevent myself from being driven out of the colony by Mr. Hastings.

In the letter written on your behalf by Messrs. Ewens and Harston to Mr. Hastings referring to certain substantial right of yours, do you agree with Mr. Harston that you have substantial rights?—Certainly.

I put it to you that you were prepared to forego these substantial rights if Mr. Hastings allowed you to practise in Hongkong?—I was prepared to forego my rights to a partnership and my rights to a holiday if allowed to practise.

You were prepared to enter into an agreement with a man who had charged you with appropriating money?—At that time.

You were prepared to enter into an agreement with him?—Yes, because at that time I did not care what Mr. Hastings said so long as he did not make it public.

At that time you were not prepared to take any steps to clear your name?—I am not a rich man—

Is that so?—Take my answer. I am not a rich man and could not afford to engage in heavy litigation with Mr. Hastings. At that time I did not consider that there was sufficient publicity to do me any harm. That is my answer. It was only known to two persons, Mr. Hastings said he had spoken only to Mr. Wilkinson and Mr. May.

Were these not firms with which you would come into contact if you commenced business in Hongkong?—Yes. I did not consider the charge would do me much harm and I could not afford to engage in heavy litigation to clear my character.

When you received the letter of 31st March why didn't you at once deny the charges?—I saw Mr. Harston next day. There was no delay on our part.

Why did you want to see Hung first?—Because I wanted to know what had taken place between Hung and Mr. Hastings told me that Hung had admitted everything.

After Mr. Harston wrote the letter of 2nd April you had another interview with Mr. Hastings?—Yes.

Did Mr. Hastings say to you "What do you mean by admitting this thing to me and then going to a firm of solicitors and instructing them to deny it?"—No, he said, "Well, Dixon, so you have decided to fight me."

That statement then is not true?—It is false.

Did you say "I must deny it or I shall go under altogether"?—No.

It is also false?—It is.

Did he tax you with having made an admission at the first interview?—He did.

What did he say?—He said, "Your have already admitted taking office money and no one will believe your word against mine."

That I put to you is a pure invention on the part of Mr. Hastings?—Yes.

At that second interview, I think you agree with Mr. Hastings that he said—Why don't you go to Canada? If I were a young man down on my luck I should go to Canada?—I don't think we are agreed.

What did that convey to your mind?—These words?

Yes?—That he desired me to go away and he suggested Canada.

If you did not make an admission at the first interview why should he suggest that you should go to Canada?—Because in the interval between the first interview and the second, he seemed to think that I had made an admission at the first.

There was no one present at that interview except Mr. Hastings and yourself?—No.

What, therefore, was the use of his taxing you with an admission you never made?—I don't know.

You admit it would have been important had there been a third person present?—It would have been more important than if there had been only two present.

Do you suggest any reason why he should tax you with there being no third party present?—No.

I believe it was in March, 1907, that the Kwong Hing Cheong firm consulted you about their

action against Reuter, Brockelmann & Co?—About then.

By the 27th January, 1908, you had been working for that firm for about nine months?—There had not been much done. The pleadings were not closed.

You had the sole conduct of the case?—Yes.

Do you deny that Wong Hui Tung made you any loan or gave you any presents?—Absolutely.

Witness was then questioned as to the several amounts alleged to have been received by him and gave a denial in each instance.

Can you suggest any reason why Wong Hui Tung should come here and perjure himself?—Yes.

What?—The fact that he considers the costs too high and that Mr. Hastings has in hand \$300 due to the Kwong Bing Cheong, and that if he assists Mr. Hastings Mr. Hastings will probably do something for him.

Witness then denied other charges of having received sums of money from Wong Hui Tung. With regard to the \$500 alleged to have been paid by Wong for costs on the 23rd July, there was no necessity for such at that time, as judgment had been given for them and they expected costs. Witness was then questioned on the account for costs amounting to \$11,575 and gave reasons for the various sums set down. With regard to the \$4,500 costs in connection with the Reuter, Brockelmann case he had drawn that amount which was lodged in court as security for costs because he was as certain as a solicitor could be that they would be awarded costs. He remembered when Wong Hui Tung came for his first account. He would not accept a date in December, as his impression was that it was in September. Probably he saw Wong on the day stated. He could not be certain. He did not remember giving instructions to Kent to prepare an account. He was prepared to say that Kent was wrong when he said witness ordered him to supply a copy of the ledger. All that Wong got on paper was a copy of the ledger. It was fully explained to him by witness. As the preliminary account stood it was very misleading, but witness did not keep the ledger. Probably he did not see that account before it was given to Wong.

He did not explain the account but the position to Wong, and justified his request for additional substantial costs. He did not know that he saw the account before Wong got it. He saw it afterwards. He did not have a proper account made out, as Wong was satisfied with the explanations given. Witness remembered Wong saying that the account showed he was \$2,000 short, and on looking at the account he saw how that was. He did not admit blame for that misleading account being given to Wong. It was not given so that Wong would not be able to see that he had not been credited with the \$500 paid for costs on 23rd July; there was a lot of items which did not appear in that account. Witness did not think it necessary to give another account because Wong was satisfied with the explanation given. Witness agreed that there was no account given to him until April to show that he had not been credited with the \$500. Witness remembered Wong coming to the office in the middle of April. He was supplied with an account. It was not true that he offered \$10,800 to close the whole affair. If witness had done so Wong would probably have jumped at the offer. He remembered when Wan Hi came to see him in January. He was brought into his room by Tam. It was possible Wan asked him to quote a lump sum for costs. He took \$30 from Wan on account of costs. That meant there might possibly be more to come. Witness was certain \$50 was not agreed upon, because he would have entered it as an agreed sum in his diary. He was no party to any arrangement that \$50 should be paid for the first day. When Wan Hi and Tam said so they were not telling the truth. Wan was probably got at, as the lower Chinese were easily got at by Tam in the interests of Mr. Hastings. He thought it was false that the police introduced Wan to Mr. Hastings. He suggested that Tam had seen him previously.

Have you not subpoenaed Inspector Fanson?—I don't think so.

You say this story of coming to your office on 14th January and paying you \$2 is absolute fiction?—Yes, absolutely false.

You have given us certain items of accounts this morning amounting in all to \$325—Yes.

They amount merely to a bare subsistence?—Yes. There is the Club.

It is for the barest necessities?—Very well.

Is this an estimate for two persons?—It is. You don't suggest for a moment that it is a complete account of your monthly expenses?—No.

There is no item paid down for clothes? My clothes are sent out from home, except linen clothes.

Do you provide the European woman with clothes?—

Witness—My Lord, is it necessary to go into all these details?

Mr. Potter—They have been gone into.

Witness—It is a side issue.

The Puisne Judge—You have brought up the matter yourself.

Mr. Potter—There is no item for clothes?—No.

Do you supply the European woman with clothes?—Yes.

No item down for that?—No.

Do you pay this woman anything?—I give her what I am able. What she requires.

There is no item for that?—No.

Do you keep wines and spirits in your house?—A little, yes.

There is no item for that?—There is.

Which?—The Mutual Stores.

Do you suggest \$19 a month covers grocers and wines?—You should refer to the cook's account as well.

I am asking about wines and spirits. Does \$19 cover that?—You have got the receipts there.

Have you any champagne in your house?—No.

I see you make no allowance for lighting or washing or other incidentals of that kind?—You have not looked at the accounts.

I am going by the accounts which you have given us this morning?—Have you referred to the cook's book?—

Does the cook do the washing?—No, the cook does not do the washing.

There is \$69 down in the cook's book. What do you suggest that covers?—No answer.

Will you show me any item for washing and lighting?—I have an amah. As to the lighting you will see there are charges for kerosene.

As a matter of fact don't you get your washing done at the Steam Laundry?—Only a few collars. Only about a dollar or two a month.

Now, Mr. Dixon, I just want to put this question. Do you allege that the amount you made out this morning and other expenses can be met out of your salary?—Yes.

\$420 a month covers everything?—I don't say that.

I ask you if you can meet these expenses out of your salary?—I have other sources of income.

Out of your salary?—It does not matter. I have mentioned one source of income from Messrs. Hastings and Hastings.

Did you send that woman on a holiday last year?—She went away.

Wasn't it to America?—Yes.

You paid the expenses?—Some of them.

MR. CALTHROP RE-EXAMINES.

Re-examined by Mr. Calthrop—When he said that he was not on friendly terms with Mr. Hastings since his return he would explain it by saying that he did not go to Mr. Hastings' house as before, and that Mr. Hastings was different in his manner. When his salary was raised in March, 1905, he did not get more dollars than when he arrived in the colony. After Mr. Davidson came to the firm in October, 1907, he did Summary Court, police court, bankruptcy and chamber work which Mr. Hastings had formerly entrusted to him, as Mr. Hastings cared more for work in the office.

You suggest in the first case that Mr. Hastings was misled as to the charges against you?—Yes.

You don't know what Mr. John Hastings will do at the end of the year?—Oh, no; it is all hearsay. He did not tell me when he thought of going.

You don't know whether he intends to remain as a partner or not?—I have no idea.

From March, 1905, till March, 1906, you and Mr. George Hastings managed the business?—Yes, and it was the busiest year we have had; probably the busiest in the history of every legal firm in the colony.

The hearing was adjourned.

EIGHTH DAY.

Mr. Dixon, re-examined by Mr. Calthrop, said in addition to his salary he received interest on his share of the mortgage. That was paid in cash. During 1908 Mr. Sergeant, of Messrs. Wilkinson and Grist, stayed in the house and shared the expenses of messing. Witness produced a certificate from the Bank showing that \$5,000 was transferred from his current account to fixed deposit on 25th June, 1905. It showed that his current account was credited with the equivalent of £100 on 27th December, £60 on 2nd April, 1906, £70 on 10th July, 1906, and that the balance on current account on 31st December, 1907, was \$2,293.28.

Cross-examined by Mr. Potter—\$4,000 of this \$5,000 was put on mortgage?—Yes.

With regard to these items did you write home for that money?—Yes.

You mean that at the end of 1905 or 1906 you required money?—No.

Did you ask it for the purpose of investing money?—I had an idea of investing.

Did you invest any?—I invested \$4,000.

If you did not require it for investment why did you ask for it? Was it to meet your current expenses?—No.

You had no particular object?—No. If an likely investment came along I would invest it.

And no likely investment came along?—No.

From whom did you get it?—Is that material. I suggest it is material?—I got it from home.

Did you get it from your father?—No.

Do you object to tell from whom you got it?—No, I got it from my uncle.

You say that although you had no need for money and although you did not invest it you asked your uncle for money?—He has often given me money.

You wrote for the money? Do you wish to go back on that?—No, I don't wish to go back on it.

Then you did ask him for these sums of money?—Yes.

The Puisne Judge—Has the mortgage been paid off?

Witness—It was paid off three weeks ago.

Witness—I should like to amend the statement with reference to this money I received from home. I had £200 when I was at home and it was remitted to me by my uncle.

Mr. Potter—Is that part of this \$4,000 deposit?—Yes.

Mr. Kent, cashier, was then called and questioned by the Chief Justice with reference to an entry he had made in the diary in connection with the Wan Hi case on 8th January.

The Chief Justice—Would you consider it your duty to make entries in a solicitor's diary?—Yes.

Have you ever been authorised to do it?—No.

Have you ever reported to anybody that you had done it?

Have you reported to the owner of the diary?—Yes. So sometimes I was told to make an entry at the time in the diary.

Who told you?—Mr. Dixon or Mr. Hastings.

Were you told to make that entry?—No.

When you made an entry in the diary without being told did you report to the owner that you had done so?—No.

Why not?—Because I did not think it was necessary.

Can you show other diaries, that of Mr. Hastings or Mr. Davidson in which you have made entries?—Yes.

Did you get this entry from the rough cash book? Partly and partly from the interpreter.

What did the interpreter tell you?—I asked him what the money was paid for and he said it was for a police court case.

Did he tell you details?—Yes. The costs were \$50 agreed upon.

Why didn't you put it down?—I put down the costs on account.

Why didn't you put down \$50 agreed costs as the interpreter told you?—I don't usually.

You don't usually make entries in the diary?—No.

Why didn't you put down what the interpreter told you, \$50 agreed costs?—I did not think it was necessary.

Mr. Potter then examined witness to show that when costs had been paid they should be entered in a portfolio. When witness saw the \$50 entered in the rough cash book he wished to enter it in the portfolio, but found there was none, and on looking in Mr. Dixon's diary he found there was no entry, and

so he made the entry he did. As a matter of fact he knew something about the matter as Mr. Dixon had handed the \$30 to him.

The Chief Justice—This portfolio is a record of all details which might be referred to afterwards?

Witness—Yes.

Supposing there had been an agreed amount of costs should that not be entered in the portfolio?—Yes.

Mr. Calthrop cross-examined witness as to the portfolios being written up from the diaries, witness stating that the diaries were sometimes written up the same day and sometimes the day after the occurrences. He did not enter the \$50 because the costs might be more.

The Chief Justice remarked that it was astonishing that a junior clerk should make entries in a solicitor's diary.

Mr. Potter—When my friend's case has closed I will call Mr. Hastings on that point.

The Chief Justice—It does strike me as funny.

The Puisne Judge—Do you attribute any sinister significance to this?

Mr. Calthrop—It is an extraordinary coincidence.

The case for the defence being closed,

Mr. Potter asked to be allowed to call Mr. Hastings to question him on several points not elicited in examination.

Mr. Hastings then entered the witness box and explained the duty of the cashier with reference to entering costs. On the occasion in question Mr. Dixon ought to have entered his attendance.

The Chief Justice thought the entry as to costs was sufficient and expressed his surprise that others than the owner should be allowed to make entries in a diary.

Mr. Hastings replied that it was not a personal book, but an office book.

Is it true that at the interview of 26th March Mr. Dixon told you he had at times taken presents from clients?—It is not true.

Did you know that Mr. Dixon had taken money presents on four occasions?—I did not know anything about it until I heard him say so in the witness box.

In your opinion is this proper conduct?—No. I don't think it is.

When you arrived in this Colony on 8th October last were your relations with Mr. Dixon friendly or otherwise?—I was on most friendly terms with him.

Witness then mentioned instances of his having invited Mr. Dixon to his house. Mr. Dixon dined with them in November last, and was invited to dinner on Christmas but declined. He joined them on a picnic to Deep Water Bay on 2nd January.

Mr. Hastings, in reply to the Puisne Judge, said it was not possible to have framed his charges against Mr. Dixon into charges of receiving presents from clients.

Mr. Calthrop then rose to address the Court.

The Chief Justice said that unless Mr. Potter objected they would prefer to hear him first.

Mr. Potter contended that as this was purely civil procedure he was entitled to have the proceedings carried out as in a civil case, and therefore although willing to defer to their lordships' wishes, he preferred that he should follow Mr. Calthrop, as he was in a peculiar position, his clients being charged with perjury and criminal conspiracy.

Mr. Calthrop then addressed the Court. He mentioned that the charges had been reduced to three, one with respect to Wan Hi and two with respect to Wong Hui Tung. Two of those were distinct charges of embezzlement, and he argued that the question to be decided should be decided by their Lordships in the same way as it would be decided in a criminal court before a jury.

Mr. Calthrop then referred to the evidence in detail, and said that on the whole of the evidence brought by Tam with regard to Hung it was clear that Hung was led to believe that if he would make specific charges concerning the allegations against Mr. Dixon he would get back his position as interpreter.

Mr. Potter said that was not a fair statement.

Mr. Calthrop described the reasons given by Hung for leaving the office as ridiculous, and said their Lordships must satisfy themselves whether on the evidence of the witnesses called, any person in the colony ought to be convicted

of a serious criminal offence. Dealing next with the evidence of Mr. Hastings, he said it was most important not only in the interests of Mr. Hastings himself, not only in the interests of Mr. Dixon, but in the interests of the community, that there should have been a third party present at the interview when Mr. Hastings made charges against Mr. Dixon. No specific charges were made against Mr. Dixon until the affidavits were filed, and it was not likely that he would have made such an admission as Mr. Hastings alleged. Mr. Dixon knew there were certain circumstances in his life which might make him shrink from publicity and these were known to Mr. Hastings. It might well be that Mr. Hastings would say—If I write and say he has admitted it he will not dare to dispute what I say; he will come down, for who would believe Dixon's word against that of Mr. Hastings?

Mr. Dixon fortunately was made of sterner stuff. He was not going to give in to a charge of this description; he was innocent of the charge; and knowing himself innocent why should he be hounded out of the colony on the accusation, even if the accusation was made by so eminent, so respectable, and so honest a member of the community as Mr. John Hastings? He was bound in honour to fight him, although it might have been to his interests to have gone away at once. It might well have happened that a weaker man knowing he had certain matters which would not be favourably considered by the general community, knowing there were certain phases of his life not in accordance with correct views, it might well have been that a man in that position would have gone away and said—"It is no good. I cannot fight this case, my employer has got some evidence, as any employer can get evidence when dealing with Chinese but not only that, he says I made an admission." Mr. Dixon's conduct throughout had been that of a innocent man. The reasons given in the letter for dismissing Mr. Dixon were without foundation, and while the defence could naturally call no other witness but Mr. Dixon, the other side had not brought Hung to corroborate the stories of their witnesses. Mr. Dixon had submitted his financial details to them very readily, and before their Lordships could find him guilty they must consider each charge, and satisfy themselves on each of the items. The charges were only supported by the evidence of witnesses who contradicted each other in most material particulars. In conclusion, he submitted that the only way in which the other side could substantiate their charges was to prove one at least of the alleged acts of misappropriation. If their Lordships did not believe the evidence put forward in support of the three charges, then they must come to the conclusion to dismiss the case. They must not rely on the alleged confession which had been absolutely denied, and which was most improbable. In no way had Mr. Dixon been shaken in cross-examination, and he would submit that in a case like that their Lordships must be satisfied beyond all reasonable doubt by direct evidence that the offences alleged had been committed, before they could come to a decision adverse to his client.

The hearing was adjourned.

NINTH DAY.

Mr. Potter said—It is my duty now to address your Lordships in support of the applicants in this case, and what I said yesterday to your Lordships I repeat to-day, that the result of this case is as important to Mr. John Hastings as to the defendant, for the defendant has taken it upon himself to charge Mr. John Hastings with perjury and criminal conspiracy. He has taken it upon himself to charge a man who has lived in this colony for 22 years, and who has had an honourable career in this colony, and who is now about to leave the colony, with having committed these serious criminal offences. I will show your Lordships that you will be compelled to decide between these two men before you can come to any judgment in this case. It will not be possible for you to say that either Mr. Hastings or Mr. Dixon is mistaken, but that one or other must be swearing to that which is false. No mistake is possible and there is no middle course open to this court; you have to decide which of the two is telling the truth. What is the motive suggested by Mr.

Dixon? That in order to save salary and commission Mr. Hastings has come here and perjured himself. That Mr. Hastings has gone round to get witnesses to help in criminal conspiracy, and that in order to ruin Mr. Dixon. What is the motive? The only motive is that this man who is now about to leave the colony, forever perhaps, at the end of his career endeavoured to ruin Mr. Dixon. Your Lordships will be compelled to decide between these two men, because the confessions in this case are a material part of the case, and I will show your Lordships that in coming to a decision you will have to consider these specific charges in relation to the confession. You must come to the conclusion first whether these confessions have been made or not, and therefore necessarily you must come to the conclusion whether or not Mr. Hastings is telling the truth or Mr. Dixon is telling the truth. My Lords, you must have noticed that Mr. Dixon hesitated, and hesitated for a long time, before he would go so far as to say that Mr. Hastings had perjured himself. He clearly saw that it was a practically impossible position to take up no motive. You cannot expect perjury and criminal conspiracy without motive. He said first that Mr. Hastings had been misled. Then he said Mr. Hastings has misconstrued the interview. Then he said Mr. Hastings had wilfully misconstrued the admissions that he had taken presents into an admission that he had taken money from the office. Finally he charged him with perjury. Mr. Dixon's counsel hesitated to go so far. The most he says on that point is that it is absurd that Mr. Dixon made any confession. He clearly saw that this accusation of the defendant was one which any person who knew Mr. Hastings and his career would practically find it impossible to accept. What is Mr. Dixon's defence? A total denial of the evidence given by every witness. While I am on this point let me call your Lordships' attention to what Mr. Dixon said in reference to the letter of 27th March, written by Mr. Hastings to his brother, a letter which Mr. Dixon characterises as one which is a mixture of truth and falsehood, although he admits that letter could never have been put in evidence by Mr. Hastings. Why, therefore, should he write this mixture of truth and falsehood to his brother, a private letter which he never could have expected to be produced in this court? The letter sets forth very clearly Mr. Dixon's case as well as Mr. Hastings. It is an eminently fair letter and cannot be said to be the letter of a vindictive man. It puts on record what happened at the interview of 26th March. Correspondence took place upon that letter, and I submit that letter must receive consideration from your Lordships as putting on record what took place at the interview of 26th March. Coming to certain admissions made by Mr. Dixon, the first admissions that he received presents of money, that on four separate occasions he accepted presents of money amounting to \$300. It was never mentioned in his affidavits and Mr. Hastings was never cross-examined upon it. It was obviously brought as a mere afterthought. For why? I think it is clear. Mr. Dixon suggests it himself, because he said in cross-examination that Mr. Hastings had misconstrued his admission about presents into an admission that he had taken money which belonged to the office. Therefore, I say this question about presents has been put forward by the defendant to explain away these damning admissions made, as we allege, by Mr. Dixon. It is not for me to comment on this question of taking presents after a case is over. We all know it is undesirable, and so undesirable is it considered in England that a special Act was passed in 1906 to make the taking of presents under such conditions a criminal offence.

The Chief Justice—A grateful client is a person very well known.

Mr. Potter—Yes, my Lord.

The Chief Justice—A grateful client is known all the world over.

Mr. Potter—The legislature at home have said that if a man after work for his employer takes presents of money or kind without the knowledge of his employer that he is liable to be indicted for a criminal offence.

The Chief Justice—It does not apply here.

Mr. Potter—It does not apply here.

The Chief Justice—It does not apply to the case.

Mr. Potter—I quote it to show the view of the case taken at home. The next admission to which I will call your attention is that although Mr. Dixon considered it essential that he should clear his character, although he believed he was entitled to substantial rights, under this agreement of 15th April, he was willing to forego these rights, willing to enter into agreement with a man who had charged him with misappropriation, if he was allowed to practise in this colony; he was willing to put it down in black and white that he would not touch Mr. Hastings' clients; willing to lie down under these charges, if Mr. Hastings would only allow him to practise in the colony. He said he was not well enough off to take proceedings to clear his character. These charges were known at the time to at least three firms of solicitors, Wilkinson and Grist, Mr. Harston's firm, and Messrs. Hastings and Hastings' firm, with whom Mr. Dixon must come in contact if he were to practise in this colony. Counsel then dealt at length with the admissions, and pointed out that Hung, who was the only person who could speak to the presents being given or not, was not called as a witness.

The Chief Justice—These proceedings are not proceedings between Mr. Hastings and Mr. Dixon. They are proceedings taken by Mr. Hastings bringing certain facts to the notice of the court concerning the conduct of Mr. Dixon. These facts have to be proved.

Mr. Potter accepted that, and continued his address.

The Chief Justice remarked that the charge rests on the charges made by Hung. That needed to be strengthened.

Mr. Potter disagreed. He said that their charges rested not on Hung but on the evidence which they brought out.

The Chief Justice—I used the word based.

Mr. Potter—They are not based on Hung. Hung had an interview with Mr. Hastings in which he said that money had been taken by Mr. Dixon. He refused to give any instances, but having been set upon our inquiry by Hung we got out witnesses. Hung would not consent to come because he was guilty himself.

Mr. Potter then went on to refer to Mr. Dixon's mode of life, and stated that the accounts which he submitted were misleading, no items for clothing for himself and for the woman being included. Continuing, he said it would be necessary for their Lordships to decide whether they would accept the statement of Mr. Hastings or of Mr. Dixon. Mr. Calthrop had suggested that was on all fours with a criminal case, and even looked at from that point it often happened that in a criminal case the strongest evidence was that of a confession made by the prisoner himself. It would be necessary for their Lordships to believe whether those confessions had been made and whether Mr. Hastings had perjured himself when he told them of those confessions. There was no room for mistake. Either Mr. Hastings was telling the truth or he was guilty of perjury. It must be one or the other.

The Chief Justice—You will have to deal with the point that the confession is not connected with the actual charges. The confessions relate to small sums at the Police Court. The charges are larger sums.

Mr. Potter—The case of Wong Hui Tung was not discovered until later.

The Chief Justice—The confession is accepting small sums at the Police Court. The charge is accepting a large sum from Wong Hui Tung.

Mr. Potter—That is really part of the case—part of the charge of gross misconduct—because there are admissions that certain sums of money have been taken from time to time. There are also charges of having taken a loan of 50 from Wong Hui Tung.

The Chief Justice—Reducing it to a definite proposal, to which charge do you say this refers?

Mr. Potter—I don't say it refers to any special charge. I say it is an admission of conduct which will entitle your Lordships to strike him off the roll.

Mr. Calthrop pointed out that there had been five charges against Mr. Dixon, and these were now reduced to three. The specific charges must be proved.

Mr. Potter—This confession is part of the case.

Mr. Calthrop—I asked for specific charges and these were all that were given to me.

Mr. Potter—These are specific charges.

The Chief Justice—We will deal with that after the recess.

After the tiffin interval, argument was continued, and the Chief Justice asked—Supposing one of us were of opinion that the charges fail, what are you going to do with the confession? Are we to exercise our disciplinary powers on the confession?

Mr. Potter said he had not considered the point very carefully, but he thought their Lordships would be entitled to exercise their disciplinary powers.

Mr. Calthrop again addressed the court briefly and the case was adjourned *sine die*.

SANITARY BOARD.

A meeting of the Sanitary Board was held on June 22 at the Board Room. Mr. R. O. Hutchison presided, and there were present Hon. Mr. P. N. H. Jones (acting Vice-President), Colonel Bedford, Hon. Mr. A. W. Irewin (Registrar-General), Mr. A. Shelton Hooper, Hon. Mr. E. A. Hewett, Dr. G. H. L. Fitzwilliams, Mr. Ho Kom Tong, Dr. F. Clark (Medical Officer of Health), Dr. Pearse (Assistant Medical Officer of Health), and Mr. W. Bowen Rowlands (Secretary).

SECTION 175.

A reply was read from Government relative to the advice of the Law Officers re exemption from the provisions of section 175 of Ordinance No. 1 of 1903.

Consideration of the matter was adjourned, the Government having added a second paragraph to their letter, which is to be re-circulated.

MALARIA AT SHAIKIWAN.

The committee appointed to report on the condition of Shaikiwan—Hon. Mr. P. N. H. Jones, Colonel Bedford and Dr. Fitzwilliams—submitted the following report:—

(A)—The Committee concur generally in the description of Shaikiwan, and the conditions there existing, as given by Colonel Bedford in his address to the Board, when moving the resolution on May 11th.

(B)—The Committee are of opinion that the conditions now obtaining at Shaikiwan East are sufficient to explain the existence of malaria amongst the troops, and others residing in proximity to or having to pass through the village.

The Committee now recommend:—

(C)—(1)—That the undergrowth and scrub be cut down and removed by the authorities concerned, from the western slope of the Lyemun cliff, situated between the village below and the barracks above, the trees and small herbage being allowed to remain.

(2)—The reclaiming of the bay (as approximately shown in attached plan) to the extent originally planned by the Public Works Department; or if funds will not permit of this, then to low water mark, as also shown in plan. This would remove the nuisance now complained of, so far as the extensive area of stinking mud, left exposed for many hours each tide, is concerned. It would permit of the regular training of the now irregular and offensive estuaries which debouch upon and trickle over the foreshore, forming pools and water holes in their course; and would force a large portion of the boat population, which is now crowded and huddled close in shore, to evacuate this part of the harbour, and thus eliminate to a great extent the filth-producing agents now living there.

(3)—The training and currenting of the stream running along the high road through the western portion of the village, between the slaughter-house and bridge No. 11.

(4)—The training of the nullahs running to bridges Nos. 11 and 12.

(5)—To do away with, either by purchase, compensation or otherwise of the plots of cultivated ground immediately below and to the east of the Saiwan Road. The ground whereon these plots are situated, being below the level of the road, are liable to be covered with the water used for irrigating them, and are difficult to drain. The abolition of this area of

cultivation would also remove the danger from the water channels and sump pits now used.

(D)—The committee noticed a pond at the village temple which is apparently used for rearing frogs. This pond has been examined on several occasions, but no larvæ have yet been discovered. It is, however, a possible source of danger and should be kept under observation, and if larvæ are detected in it at any time steps should be taken accordingly. The immunity from larvæ is probably due to the large number of frogs and tadpoles in the water.

(E)—Lastly, the committee are of opinion that if the above recommendations are given effect to the whole condition of the eastern portion of the village of Shaikiwan will be vastly improved, the health of its inhabitants and the troops quartered at Lyemun greatly benefited, and the risk from malaria materially diminished.

Mr. HOOPER minuted—The Government should give effect at once to the recommendations made by the committee.

The PRESIDENT moved that the report be adopted, and that the Government be requested to give effect to it as soon as possible.

Mr. HOOPER seconded.

The REGISTRAR-GENERAL—I should like before agreeing with the motion, to hear a little more about the foreshore and malaria. I did not know before that foreshore covered with salt water could be a breeding ground for mosquitoes. The people who live there, the boatpeople, are a very useful section of the community, and a people we cannot very well do without. If it is necessary to remove them I hope the government will find some other place where they can put their boats ashore under proper police protection.

Colonel BEDFORD explained that one of the great objections to the present foreshore were the nullahs which made waterholes in their course, and which waterholes at very high tide were not washed out. Another objection was the terrible smell which existed there during the whole of the summer. He thought most people were satisfied that the bottom of the bay was nothing more or less than a deposit of excreta, which was lying there at low or high tide. He did not say that the smell had anything to do with the introduction of malaria, but as the Committee pointed out, the nullahs could be effectually trained until they reached the sea. He presumed that the reclaiming of the foreshore would not entirely force the boating population out of the bay, although it would certainly put them further from the shore.

KOWLOON CONSERVANCY CONTRACTOR FINED.

A complaint against the Kowloon Conservancy contractor was dealt with.

Dr. FITZWILLIAMS minuted that the man did not seem either capable or willing to fulfil his contract, and he thought it should be cancelled. The man had been threatened by the board, and therefore probably only laughed at similar charges.

Mr. HOOPER suggested that if the further charges were proved the man should be fined the maximum penalty. The speaker wished to know how many specific charges there were for which the contractor would be liable under his contract—a penalty in each case.

The PRESIDENT—There are four main charges.

He contractor was called before the Board, and on the charges being considered he was fined \$25 each on three of the four charges preferred.

On the suggestion of the REGISTRAR-GENERAL it was further agreed that arrangement should be made in case the board found it necessary to cancel the contract, as the work could not be allowed to be undone for one day.

RAT RETURNS.

The return of rats caught for a number of months past was laid on the table.

Colonel BEDFORD minuted—In view of the extensive area of godowns and wharves at Kowloon, and of the prevalence of plague on that side of the harbour, the number of rats caught in Kowloon appears to me unsatisfactorily few.

Major A. A. S. Barnes has been promoted Lieutenant-Colonel during his appointment as Commandant of the Shanghai Volunteer Corps.

CANTON.

[FROM OUR CORRESPONDENT.]

18th June.

EMBEZZLEMENT BY OFFICIALS.

Admiral Li Toun has reported to His Excellency Viceroy Chang that Wong-Hon Wah, Wong Kwok King and others, gentry of the Tung Koon city, who constitute the committee in charge of the Municipal Bureau having the care of firearms for the protection of the city have embezzled funds of the Bureau to the extent of 183,000 taels and have also clandestinely disposed of 1,000 Mauser rifles which the Bureau obtained from the Bureau of Local Affairs at Canton. The Admiral expresses his belief that the firearms have been sold by the gentry to robbers and pirates, and he has appealed to the Viceroy to instruct the Kwong Chan Prefect to proceed to Tung Koon to arrest all the gentry who are implicated and have them tried and punished.

TROUBLE ON THE RAILWAY.

It is reported that a foreigner employed on the Kowloon-Canton Railway works here assaulted a Chinese employee and that the Chinese employed on the line are very much excited over the affair. The matter has since been reported to Mr. Grove, the Superintendent of the Railway Works.

THE PARACEL ISLANDS.

A long report on the Paracel Islands has been sent to the Viceroy (by Admiral Li, who was in command of the recent expedition to the islands. The report is said to embody many interesting schemes for the development of the islands, including the erection of a steel bridge to connect the Fook Po and Mo Hok Islands.

A CHINESE ORDNANCE SURVEY OF KWANTUNG.

The Viceroy has received instructions from the Board of War at Peking to make a map of Kwangtung Province for military purposes. The dispatch urges His Excellency to have the map ready as soon as possible. His Excellency has already delegated many surveyors to proceed with the work.

VICEROY'S PROCLAMATION RE S.S. "FATSHAN" AFFAIR.

From inquiries made, I learn that the proclamation issued by the Viceroy on the 15th instant re the s.s. *Fatshan* affair (a translation of which appeared in our Saturday's issue) was issued in consequence of representations made by Mr. Fox, H.B.M.'s Consul-General, who had received information several days previously to the issue of the circulars by the Self-Government Society that the meeting was contemplated with the object of reviving the boycott against Messrs. Butterfield & Swire. It is curious to note that although the proclamation was issued on the 15th instant and its object was to prohibit any further meetings of the Self-Government Society to revive the s.s. *Fatshan* affair, or at least commanding the public to cease discussing the subject under penalty of severe punishment, yet circulars were distributed by the Self-Government Association on the following day to convene a meeting on the 17th instant for the purpose of discussing the s.s. *Fatshan* affair, thus entirely ignoring the Viceroy's commands. Another noteworthy incident is that all the local Press conspired to suppress the publication of the proclamation until the meeting had taken place. Only a few of the papers published the proclamation this morning. This was purposely done so as to give a loophole to the members of the Self-Government Society to claim exemption from punishment for disobeying the Viceroy's order in the event of any trouble arising, as they would plead ignorance of the issuing of the proclamation because they never saw it in any of the local papers.

The following is a translation of a letter sent by the Self-Government Association to the Portuguese Consul:—

"We beg respectfully to draw your attention to the fact that last year Your Honour wrote a dispatch to the Viceroy re the s.s. *Fatshan* which contained many false accusations against the witnesses for the prosecution, the representatives of the Press and this Association. Such allegations are most abhorrent to us. Our Viceroy has replied to you in a dispatch couched in most reasonable terms. His Ex-

cency at the same time requested the members of this Association to be calm and to wait for the settlement of the case by the authorities. This Association took Your Honour to be an administrator who would deal with all public affairs in a spirit of justice and fairness, thus preserving the friendly relations between our respective countries. Surely you would eventually find out yourself that the above-mentioned allegations made by you were without any foundation. Several months have since elapsed and you have not answered the Viceroy's dispatch. This Association considered that the witnesses for the prosecution gave their evidence simply from love of righteousness; the Press has the right to freely criticize all public matters, and the representatives of this Association have a perfect right to discuss any public cause. Your false accusations have not only caused us great distress, but have also seriously injured our good reputation and we resent the allegations made by you. We take upon ourselves the responsibility to deal with the matter unofficially, and therefore we write Your Honour this letter. We require you to substantiate the statements made, and we request you to reply to our letter within the next three days. The address of this Association is Wah Lum Chi, Western Suburbs, Canton."

23rd June, 1909.

"STUD-POKER."

Of recent years stud-poker has become one of the most popular games in the Kwangtung Province. The Cantonese people have gone crazy over this game. It is played by people of the upper as well as the lower classes. Card houses have sprung up in almost every city, town and village up-country. In many districts the officials have made it a Government monopoly. I remember last year there was such a great demand for poker cards here that every available packet in the market was bought up and even old cards fetched 60 cents a packet. A few days ago Lui Cho Wong went personally to the Viceroy's yamen and presented a memorial in which it is stated that stud-poker gambling has become a serious evil and is spreading all over the Province. He prayed that instructions might be given to the authorities in the province to prohibit stud-poker gambling and also to issue proclamations to arrest and severely punish those who continue to indulge in the game.

The Viceroy replied as follows:—"I have perused your memorial very carefully. If the evils of stud-poker gambling are so great as you state, it must greatly affect the morality of the people, and should be strictly prohibited. Those who continue to indulge in the game must be arrested and punished. I hereby instruct the Provincial Judge, the authorities of the Military Department and the Bureau of Local Affairs to direct all civil and military officials in the province to issue proclamations to inform the public that stud-poker gambling is strictly prohibited, and hereafter rigid searches will be made and all delinquents arrested with a view to putting a stop to this sort of gambling. Should any further petitions be presented to the official Bureau applying for the monopoly of this game under any new and ingenious name, the Bureau authorities are instructed to severely reprimand the petitioners."

THE PRISONERS EXECUTED.

The prisoners Chan Hing, Li Hi and So Kwan Cheung, who were surrendered to the Chinese Authorities by the Hongkong Government sometime ago, were executed in the presence of the Nam Ho Magistrate on the 21st instant by order of His Excellency Viceroy Chang.

CHINA "TEA"—AN INTERESTING REVELATION.

Chan Shu Tai, a tea dealer, was arrested and charged by the police with being in possession of 24 bags of used tea leaves weighing over 1,200 catties with intent to ship them abroad for sale. The defendant admitted having collected the tea from the Tin Shing, Ng Yu and Wan Heung restaurants situated in Chin Kam Street, but protested that it was not a legal offence. He stated that hitherto it has been a common trade amongst tea merchants to purchase such tea leaves from restaurants and have same dried and exported to foreign markets for sale. The magistrate ordered the tea leaves to be confiscated and fined the defendant \$20. He remarked that many proclamations had been issued forbidding merchants to deal in used tea leaves,

as the drinking of such tea is extremely detrimental to health. I wonder if anything of this kind occurs in Hongkong where there are so many Chinese restaurants?

RAILWAY MATTERS.

Some two years ago, when the bureau for the construction of railways in the province of Kwangsi was established, it was distinctly stipulated between the officials and the merchants that all the railways in that province should be constructed by the merchants alone. Ever since the establishment of the Railway Bureau the merchants and gentry have been endeavouring to raise funds, and large sums have been promised by both classes, but they have been at variance all the time. Consequently nothing has been actually accomplished. The Governor has now decided to have all the railways in the province constructed by joint capital of the Government and the merchants.

His Excellency has already appointed Prefect Woo Ming Hing to be superintendent of the Kwai-lum, Cheun-chow and Wong-sha-ho Railway. This line has already been surveyed by competent surveyors. It is about 330 li in length and the Hing On district is situated about 115 li from Kwai-lum, where there are rich coal mines. The Governor has memorialized the Throne to grant the necessary funds. His Excellency is also pressing the merchants to raise funds and to delegate deputies to the Straits Settlements to invite the merchants there to subscribe.

Chan Yee Hi, Director of the Sunning Railway, cabled to the Board of Labour, Agriculture and Commerce at Peking, applying for permission to construct a branch line of that railway from Sunning to Kongmoon. The Board replied that all matters concerning the construction of railways could only be granted by the Board of Posts and Communications, whereupon Chan immediately telegraphed to the latter board who has since granted the concession to the Sunning Railway Syndicate.

THE ASSESSMENT OF HONGKONG FOR THE YEAR 1909-1910.

By order of His Excellency the Governor-in-Council a new Valuation has been made of the whole Colony, with the exception of purely Chinese Villages.

City of Victoria:—The Ratable Value has decreased from \$8,987,125 to \$8,806,805, a reduction of \$180,320, or 2 per cent.

The Hill District:—The Ratable Value has decreased from \$263,265 to \$262,445 a reduction of \$820, or 0.31 per cent.

Shauiwan:—The Ratable Value has increased from \$57,197 to \$63,224, an addition of \$6,027, or 10.53 per cent.

Hongkong Villages:—The Ratable Value has increased from \$223,599 to \$224,590, an addition of \$991, or 0.44 per cent.

Kowloon Point:—The Ratable Value has increased from \$464,460 to \$502,205, an addition of \$37,745, or 8.12 per cent.

Yau-mati:—The Ratable Value has increased from \$233,145 to \$256,640, an addition of \$23,495 or 10.07 per cent.

Hung-hom:—The Ratable Value has increased from \$230,715 to \$237,520, an addition of \$6,805, or 2.94 per cent.

Mongkoktsui:—The Ratable Value has decreased from \$144,565 to \$130,490 a reduction of \$14,075, or 9.73 per cent.

New Kowloon:—The Ratable Value has increased from \$62,315 to \$103,858, an addition of \$41,543, or 66.66 per cent.

Kowloon Villages:—The Ratable Value has increased from \$150,367 to \$163,125, an addition of \$12,758, or 8.48 per cent.

The Whole Colony:—The Ratable Value has decreased from \$10,816,753 to \$10,750,902, a slight reduction of \$65,851, or 0.60 per cent.

PREMIER AND EMPIRE-DAY.

OFFICIAL RECOGNITION TO BE CONSIDERED.

The Prime Minister is apparently becoming convinced that Empire-day is worthy of official notice by the Government.

In reply to a parliamentary question put by Mr. Cecil Harmsworth, Liberal M.P. for Droitwich, he promises to consult his colleagues with regard to the desirability of according official recognition to Empire-day in future years.

THE CHINA SOCIETY.

DINNER AT THE TROCADERO.

SPEECH BY CHINESE MINISTER.

(From our London Correspondent.)

The members of the China Society, to the number of over 200, held their annual dinner at the Empire Rooms of the Trocadero Restaurant, London, on 26th May. His Excellency the Chinese Minister (Lord Li Ching Fong) presided, and the attendance included Sir Charles and Lady Dudgeon, Sir H. S. Wilkinson, Sir J. Brown, Lady Clarke Jervoise, Mr. C. S. Addis, Mr. H. J. Allen, Miss Andrew, Mr. A. G. Angier, Miss Baker, Mr. and Mrs. Blackwell, Mr. Thos. Brown, Mr. and Mrs. Byron Brenan, Mr. and Mrs. H. R. H. Burder, Mr. Gordon Carter, Mr. and Mrs. Cartwright, Mr. V. C. Chang, Mr. Ivan Chen, Mr. A. Diosy, Mr. G. B. Dodwell, Mr. Mrs. and Miss Judd, Mr. and Mrs. L. Giles, Col. and Mrs. Edwards, Mr. and Mrs. H. G. Harwood, Mr. J. R. Michael, Mr. and Mrs. J. H. Perry, Mr. B. C. G. Scott, Mr. G. Jamieson, Mr. E. G. Jamieson, Mr. Frank Souter, Mr. and Mrs. A. P. Stokes, Miss Troup, Rev. Watson, Mr. M. T. Whang, Mr. and Mrs. Wilson, Mr. A. G. Wood, Mr. E. Yamaza and Mr. A. Zimmermann.

After dinner the Chairman submitted the toasts of His Majesty the King and His Majesty the Emperor of China, which were loyally honoured.

His EXCELLENCY then proposed the toast of "Prosperity to the China Society." Lord Li said:—After a year's separation we meet again, all of us feeling, I hope, that we have derived some benefit from the course of treatment we have undergone during the Society's last session. At the outset, possibly, the programme of the session, viewed as a whole, may have seemed rather a stiff and heavy course to go through, but taken in small quantities at intervals of four weeks it has proved an easy task, as is testified by the presence of so many to-night at the finish.

My toast is "The prosperity of the China Society"; indeed, it will have need to prosper and live long if it is to have the full advantage of the rich store of materials that are within its reach. China goes back a long way as a nation, and its literature enables us to reconstruct the picture as it existed 2,000 or more years B.C. There is a wonderful charm in looking back through a vista of several thousand years. What may seem quite commonplace as it lies in front of us is invested with deep interest when our imagination views it in an atmosphere made dim by the lapse of centuries. For example, what a pleasing picture was presented to us recently by the Cambridge procession of a taxicab plying for hire in the capital of the Chow Kingdom 20 centuries ago. Everything new of to-day seems to have had its counterpart in Ancient China, and who knows but that before we meet again in this room next year some rival professor may have discovered that the aeroplane was much used by those same ingenious Chow people. (Laughter and applause.) A remark recently made by a speaker at one of your meetings suggests the reflection that interesting as the China of B.C. 2,000 may be, the China of the 20th century is also entitled to some notice. We go to the British Museum to see old chariots and to the Tower to see old cannons, but we go to Long Acre, or to Woolwich, to see what is being done to-day, and I throw out the suggestion that some of your meetings might be devoted to subjects dealing with the modern condition of China. (Applause.) Our countries are now closely connected by ties, commercial, political, financial and social, that we cannot know too much of each other as we are in the present day. With nations, mutual understanding forms the most durable bond, and engenders on both sides that useful virtue of making allowance for those who differ in opinion. In this I am sure I shall be borne out by my friend Mr. Yamaza, who to-night represents a sister institution, the Japan Society. The geographical position of our two countries enables them to know each other intimately, and as a consequence the best understanding exist between them, a

friendly feeling which I am proud to think is reflected in London by the official representatives of each country, as it also is by the Japan Society and the China Society. (Applause.) I congratulate you on the successful session which this evening's banquet brings to a conclusion, and I heartily hope that many more are in store for you. (Applause.)

The toast was musically honoured.

Mr. ARTHUR DIOSY, in responding to the toast, expressed on behalf of the members, of the Society, his gratitude to Lord Li for the appreciative words he had used concerning the work of the Society. They accepted his praise because they knew it to be well deserved. They had the honour to belong to a young, active, and healthy Society that had done very good work in its short lifetime and would do better work in the future. There was no lack of material for the Society to work upon. The range of their labours could go back to B. C. 2,000, as well as occupy itself with the China of to-day. There was no more interesting land in the world than China, and the China of the future was full of mighty portent. The matter which they could extract from all this material would be valuable and useful. The Society stood on a sound basis and was conducted on sound common-sense principles. It was fortunate in having Mr. Byron Brenan and Mr. Ivan Chen for honorary secretaries. They were two zealous, indefatigable gentlemen, as practical as ever served a good cause. The management of the Society was left to a great extent in their hands, and one might say with Sir Christopher Wren "If you want to see their monument, look around." (Applause.) The Society also owed a good deal to His Excellency's support and encouragement. Lord Li was the second Envoy Extraordinary to preside over their Society, and if ever a moment of difficulty should present itself and they should require his powerful patronage and protection he felt sure they would not appeal to Lord Li in vain. (Applause.) Lord Li took a keen interest in the Society. The great empire could not have a better representative in their midst than Lord Li, who was the adopted son of Li Hung Chang, the man who foresaw that changes were to come in China. It was possible that the methods by which these changes were being brought, about would not in every case commend themselves to the deceased statesman, but Li Hung Chang was the first to see that these changes had to come. Years ago Lord Li was in England as Secretary to the Chinese Legation and he revisited England with Li Hing Chang. He had now to ask them to drink the health of their Chairman, and in doing so he would remind them they were drinking to a great country, China was not only of the past and present, but also of the future. It was in the China of the past that Lord Li spent his boyhood, and whatever they might think of the necessity for change in China they had to bow respectfully to a system now passing away which was able to keep together the largest number of human beings of one race in a very fair state of happiness, comfort and contentment for a larger space of time than was recorded of any other system in the world. If China did well in the remote past, he felt convinced that under the leadership of such men, as Lord Li represented, China would do better even still in the future. (Applause.)

The toast having been honoured, this concluded the speeches and the ladies withdrew.

A short informal business meeting was then held.

Mr. G. JAMIESON thought they had spent a most successful evening. The China Society fulfilled a useful purpose and brought together many old friends. He hoped the membership would increase and the Society long continue to flourish. During the past session they had had a number of interesting papers and the Council hoped to have then printed to keep as a record. In time these would make a valuable and important contribution to Far Eastern affairs, and he hoped the members would support this proposal financially.

Lord Li proposed that the Accounts, which showed a balance on the right side, be adopted. He described them as the budget of the Society, and added that they would not want him to explain what a budget was. (Laughter.) The accounts were passed, the Council re-elected, and the proceedings terminated.

THE LANGKAT SHARES CASE AT SHANGHAI.

Mr. F. S. A. Courne, Acting Judge of H.B.M.'s Supreme Court at Shanghai, delivered judgment on the 17th inst. in the interesting case of F. L. Marshall v. Mrs. Florence Nazer, as follows:—

This is an action claiming specific performance of a contract made by defendant dated April 17, 1909, to deliver on June 28, 1909, fifty shares in the Langkat Company, payment to be made at Tls. 950 a share on delivery of scrip and transfer.

The defendant pleaded that plaintiff had bought as broker for principals whose names he had since disclosed and was therefore not entitled to sue. At the suggestion of the Court it was agreed between counsel that the following issue should first be tried: Is the plaintiff entitled to sue?

The bought contract note is in the form usual here in forward share transactions. It is addressed to "The concerned. I have bought on your account from Mrs. Nazer, etc., etc., brokerage half per cent., signed F. L. Marshall, broker. Sale confirmed (signed) Florence Nazer, seller." The words here used must be given their plain and literal meaning, as in the interpretation of all written contracts. Mr. Douglas ingeniously suggested that plaintiff was acting as a commission merchant: if he was he should have said so. Mr. Nazer contracted to sell through Mr. Marshall as broker to an undisclosed principal.

Now it appears from Mr. Marshall's books that he bought these fifty shares himself: he was short fifty shares which he had sold forward as principal on April 14 and 15 at prices ranging between Tls. 812½ and Tls. 860. On the 17th he sold twenty-five more at Tls. 950 and he said that he had really intended to allocate twenty-five of Mrs. Nazer's shares to this contract. But his books do not show this, nor did he give any reason: the sales to which he allocated Mrs. Nazer's shares were prior in date to the sale of the twenty-five on the 17th, were at lower prices, and would come first to be provided for: his evidence shows that he sat down in the evening sometimes long sometimes short and allocated purchases and sales according to convenience: in fact he was clearly combining the business of jobber, that is, dealer in shares, with that of broker, whose office it is merely to establish privity of contract between two principals. I have pointed out in a previous case (Liu v. Graham, "North-China Daily News," July 13, 1903) the vice of the form of contract "for the concerned" and the custom as followed in Shanghai share-dealing—that it provides a cloak for such equivocal transactions. In a recent case at home Fletcher Moulton L. J. said: "On the Stock Exchange securities may in the course of a day, or even of a much shorter time, vary in price, and a broker who considers that he has no duty to report the actual price of the transaction to his client, or to give him the whole benefit of the transaction he has carried out on behalf of his principal, is always under the temptation of making a profit by the transaction at the expense of his customer, and often may do so without running the least risk of detection. Such behaviour on the part of a broker appears to me to come under that class of cases dealt within the case of Robinson v. Mollett (1875) L.R. 7 H.L. 802, so that not even proving a usage on the market would make the principal liable, because it would be a usage which really changes the character of the broker and the nature of the dealing. If that be so, the question whether or not, in the particular instances which go to make the account sued on in the present case, the London broker has in fact abused his opportunities in the sense of making exorbitant profits appears to me to be wholly irrelevant to the question we have to decide. The contract which the plaintiff made with the London broker was one by which he might make profits, and, therefore, was not a contract of brokerage, whether or not any or exorbitant profit were in fact made." (1908) 2 K. & D. p. 530. The principal employs the broker to place shares expecting to get the benefit of his skill and industry in selling at the best price obtainable: if the broker buys the shares himself it will naturally be at as low a price as he honestly can—if he happen to be honest: the dishonest

broker has the ignorant principal at his mercy. Agents cannot act so as to bind their principals where they have an adverse interest in themselves. This rule is found on the plain and obvious consideration that the principal bargains in the employment for the exercise of the disinterested skill, diligence and zeal of the agent for his own exclusive benefit." (Story on Agency section 21.) For this reason the contract in question is plainly void. That disposes of the action.

In regard to costs I think I ought to make no order, for the defendant when she came into Court had no merits so far as her defence against the plaintiff is concerned. She had no quarrel with Mr. Marshall, but proposed—to judge by her statement of defence—to upset the contract by attacking the other principal: accident gave her a defence. If the shares had gone down in price she would certainly have looked, according to the custom, to Mr. Marshall to pay at this contract rate. He gave her the correct market price and treated her quite honestly according to the custom of share-broking here. In the action *Liu v. Graham supra*, three leading brokers, called to give evidence of the custom, agreed that a broker would be entitled under the custom to sell his own shares when signing "for the concerned" and yet charge a commission. The custom is, to put it mildly, misleading to the outside public and to the honest brokers alike, and illegal; and until it is altered the law must from time to time claim a victim.

Judgment for defendant, but without costs.

Mr. Wilkinson said that his Lordship had recorded judgment and he did not wish to argue upon it. He wanted to point out, however, that the action had only been heard on the first issue and the defence entered on the pleadings still remained. Plaintiff had brought the action and had not succeeded, and counsel submitted that his client was entitled to costs. He was not going to proceed with the second part of the case, but he suggested that defendant, who had done a public duty, should not be mulcted in costs.

His Lordship said that he had merely taken a view of the merits, and that he considered that Mr. Marshall had been quite sufficiently punished.

Mr. Wilkinson—This action is now at an end. May I in my other capacity ask that the account book put in as an exhibit be impounded by the Court for scientific examination.

His Lordship—If you as Crown Advocate think that a crime has been committed, you can apply to have the book examined. But you will have to consider the matter seriously and in the meantime the exhibits will be kept in Court.

Mr. Douglas—I understand your Lordship to say that the exhibits are to be kept in Court. I understand that throughout this case Mr. Wilkinson was acting in his private capacity, and I therefore think that he should state a certain time, after which Mr. Marshall may have his book.

His Lordship (to Mr. Wilkinson)—You must make up your mind within twenty-four hours about this book, and if you do not give notice then the book will be returned to Mr. Marshall.

DEATH OF MR. F. H. BALFOUR.

It is with regret that we learn of the death of Mr. F. H. Balfour, in Florence, Italy, on 22nd May, after a long illness. Mr. Balfour came out to China as a silk inspector in 1870, and soon started on his own account, the firm's name being Balfour, Butler and Co., but through the failure of some company at home the firm suspended, but he paid up the liabilities from his private means. He was co-editor with Mr. J. D. Bishop in the "Evening Gazette," after which he became editor of the "Celestial Empire" and "Shanghai Courier" from 1874 to 1876. He went home on leave, but on his return the "Courier" and "Celestial Empire" was leased to a Chinese syndicate, so he went to Nanking to continue his study of Chinese. His next appointment was Adviser to the Japanese Legation at Peking. In 1887 he became co-proprietor and editor of the "North China Daily News" and "Herald," and remained there until he resigned in 1886. He was an able writer, and an excellent amateur actor. After his resignation from the "North China Daily News" he went home, but eventually made his home in Italy.

VICTORIA RECREATION CLUB.

The report and statement of account of the Victoria Recreation Club for the year 1908, to be presented to members at the annual general meeting to be held on Monday, June 28th, has been issued. The following extracts are taken therefrom:—

The Boat House Sub-Committee have much pleasure in being able to present a cheerier report on the past year's work. The point calling for this satisfaction is the greatly increased general interest shown in this section and an enthusiasm which has enabled us to enter crews both in the Hongkong and Canton Regattas, though we regret that in neither case were we successful. The two scratch races held early in the season were instrumental in reviving interest and the means of bringing to the fore several promising new oarsmen. In connection with the Hongkong Regatta we should like to acknowledge our indebtedness to the Royal Hongkong Yacht Club for their sporting loan of a pair-oared boat until the arrival of our own from England.

During the last season we have had four 4-oared boats locally built on the lines of the new "Clasper," which have so far given every satisfaction; and also one new racing pair-oar, which was procured from England.

The Gymnasium Sub-Committee reports that the gymnasium has been kept in good condition throughout the year. In the person of Sergt. Link the Club possesses an able instructor who, besides being thoroughly qualified, is painstaking and deserves a more encouraging attendance of members at his classes, which at present are held every Tuesday and Friday. The manner in which the instructor has fulfilled his engagements is extremely gratifying and the Gymnasium Committee desire to place on record their appreciation of his services.

The general working account shows an amount of \$4,464 derived from annual subscriptions, and \$1,540 received as entrance fees. The balance sheet places the assets at \$31,993.37, while the liabilities total \$29,838.67.

RAT PLAGUE AT SHANGHAI.

In his last monthly report to the Shanghai Municipal Council, Dr. Stanley, the Medical Officer of Health, says:—

As regards plague among rats the improvement noted last month has been well maintained during May; moreover, no human cases have been met with.

PLAGUE AMONG RATS. Comparative Monthly Figures.

	Rats examined	Plague infected	Percentage infected
December	1,359	50	3.7
January	1,118	26	2.3
February	1,375	30	2.2
March	2,585	41	1.6
April	1,897	21	1.1
May	1,780	10	0.6

The Central and Western Districts have been entirely free from plague infected rats throughout the month. The Eastern District, where the outbreak originated and where preventive measures were first organized, furnished only 3 infected rats as against 11 last month. The Northern District, for the first time, heads the list with 7 infected rats, of which three were found outside the Settlement, in the Chapei district. This would be a more unfortunate fact to record were it not for the absence of opposition by the native authorities to preventive measures being carried well beyond the Settlement boundary. These have been vigorously pressed forward and, there is reason to believe, with good result. If the improvement in the general condition regarding plague among rats is maintained and, as cases of plague in man are dependent upon its prevalence among rats, if there is no outbreak of plague among the human population by the end of June, a good prognosis may be made and the community may have every reason to congratulate itself on having escaped for a time a danger the magnitude of which has never been experienced in Shanghai so long as sanitary records have been kept.

IMPORTATION OF FOREIGN MONEY.

INTERESTING STATISTICS.

The following returns are published by the Japanese Finance Department, showing the amount of foreign money imported into Japan by means of the sale of bonds and the issue of municipal bonds or company debentures between certain dates last year and May, 1909:—

VALUE OF DOMESTIC BONDS SOLD ABROAD BETWEEN MAY, 1908, AND APRIL, 1909.	
Consols	Y1,000,000
War Loans	100,000
Imperial 5 per cents.	2,000,000
Special 5 per cent.	5,500,000
A. i. mark bonds	10,000,000
A. ro mark bonds	7,000,000
B. i. mark bonds	1,000,000
Second and Third Exchequers	2,000,000
Tobacco bonds	300,000

Total Y28,900,000
VALUE OF NATIONALISED RAILWAY SHARES
SOLD BETWEEN NOVEMBER, 1908.

	No. of shares.	Face value.
Nippon Railway	66,800	Y3,324,000
" new	30,000	1,081,000
Sanyo Railway	93,840	4,692,000
Kyushu Railway	2,100	105,000
Sobu Railway	800	40,000
Kwansai Railway	8,260	413,000

Total 201,800 Y9,655,500
Converted into current market value, the total value of the above shares is estimated at Y18,177,120.

MUNICIPAL LOANS.

	When floated.	Amount.
Osaka	April 1908.	Y30,220,000
Nagoya	May 1902.	8,000,000

Total Y38,220,000

COMPANY DEBENTURES AND LOANS.

	When floated.	Amount.
Second South Manchurian R'y. debentures	June 1908.	Y20,000,000
Fuji Paper Mill	Aug. 1908.	1,500,000
Toyo Kisen	July 1908.	2,000,000
Kanagafuchi Spinning	July 1908.	2,000,000
Mitsui Bussan	Sept. 1908.	3,250,000
Mina-Arima Electric Railway	Oct. 1908.	1,300,000
Toyo Kisen	Oct. 1908.	2,000,000
Kogyo Ginko	Nov. 1908.	20,000,000
Third South Manchurian R'y	Dec. 1908.	20,000,000
Tokyo Gas	Feb. 1909.	3,000,000
Nissin Spinning	Feb. 1909.	500,000
Matsui Muslin	April 1909.	250,000
Hoden Petroleum	May 1909.	1,000,000
Tokyo Spinning	May 19. 9.	1,000,000

Total Y77,800,000
Grand total Y163,097,120

LIKIN ON RAILWAYS.

A correspondent, writing to the *B. & T. Times* of June 8, says that the Chinese Government, within the past month, has established a considerable number of likin stations along the Peking-Hankow Line, where a tax equal to one-half of the Maritime Customs duties is collected from passing goods. All goods, both foreign and native, must pay this unless accompanied by a transit duty certificate, in addition to the ordinary receipts for likin dues and the native Customs dues that have to be paid at the sea-ports.

In addition to the foregoing, the Chinese Government is now also collecting from all passing foreign goods not protected by the transit duty certificate just mentioned, the Peking city octroi tax on goods passing Fengtai, although said goods do not go into Peking, nor within some miles of that place.

All this (it is added) is an entirely new practice, only established this spring, and is quite a serious matter to such foreigners as have to take or send foreign goods into the interior. The failure to secure a transit duty certificate will make it necessary to pay at least double the cost of such certificate, beside the probable delay and annoyance en route.

JAPANESE POLICY IN MANCHURIA.

MR. CHIROL'S TELEGRAM.

Tokyo, May 30.

In conjunction with your Peking Correspondent, who joined me here last week, I have been engaged in discussing exhaustively with Japanese Ministers the questions at issue between China and Japan. Only the question of the Fa-ku-menn Railway involves indirectly British interests; but, in view of the terms and purpose of her alliance with Japan, Great Britain could not remain indifferent to any controversy likely to affect Chinese and Japanese relations. The best friends of Japan would have been slightly disappointed had she displayed the uncompromising attitude imputed to her by the Chinese; and very full and authoritative information has been placed at my disposal to correct misapprehensions upon the subject.

I must reserve a more detailed statement for the post; but the rejection of arbitration as proposed by China has provoked so much adverse criticism abroad that it seems important to set forth certain facts hitherto inadequately apprehended. It must be remembered that the course of the recent negotiations has been treated here hitherto as confidential at the request of the Chinese Government, just as the Peking Protocol of December, 1905, was made secret out of deference to Chinese wishes. But, just as out of consideration for the British alliance and for the large British interests in the adjacent Chinese railway system Japan deemed it her duty to communicate to the British Government the clause inserted in the Protocol restricting railway competition for the protection of her South Manchurian line, so she now deems it her duty to explain her subsequent action.

HISTORY OF THE DISPUTE.

When in the summer of 1907 the Japanese learned that China was engaged in negotiations with British firms for the construction of the Fa-ku-menn line, they hastened to remind the Chinese of the stipulations which from the beginning had been specially intended to prevent the construction of that particular line, than which none, in their opinion, would more injure the South Manchurian Railway, especially if it were subsequently extended northwards so as to divert the traffic of Northern Manchuria before it even reached the Japanese railway. China disregarded the warning and signed the contract. The Japanese then formally protested, and a desultory correspondence ensued, the Chinese denying the competitive character of the line and finally requesting a definition of the area which Japan regarded as competitive. On the question of the competitive character of the proposed line opinions altogether differ; but the Japanese claim the benefit of the doubt for their own contention, and in respect of the question of area affirm that each case must be judged on its own merits, as the question is never purely one of mileage.

JAPANESE MODERATION.

China might, perhaps, be justified in demurring to the vagueness of these replies, had the attitude of Japan remained otherwise uncompromising. But after the abortive conferences last year Japan decided upon the following important step, which seemed to offer a fresh starting point. In February last she communicated formally to Peking two alternative proposals, one that the Chinese should build a railway from Fa-kumenn to the South Manchurian Railway instead of to Hsin-min-tun, or that the Japanese should build a railway from the South Manchurian line to Fa-ku-menn and thence to the North, in which case Japan would withdraw her objection to the Fa-ku-menn-Hsin-min-tun railway, provided that China undertook not to extend the line beyond Fa-kumenn without a previous agreement with Japan.

THE ARBITRATION QUESTION.

Even if China were not disposed to accept either of these alternatives offhand, they were surely conceived in a sufficiently conciliatory spirit to afford a basis for friendly discussion, especially as Japan offered at the same time to waive her claim, advanced on behalf of Korea, for the readjustment of the boundary of Chien-tao, provided that all other questions, including that of jurisdiction over Korean settlers in

Chien-tao, were adjusted to her satisfaction. The Chinese had repeatedly intimated that the territorial question of Chien-tao was one to which they attached the chief importance. Nevertheless, China rejected all these overtures without further discussion, and, as is known, proceeded to propose the arbitration of all pending questions.

The Japanese believe that, had China disclosed this phase of the negotiations before announcing to the world her desire for arbitration, public opinion in England would have recognized that these questions have not yet reached the stage when The Hague Tribunal can properly be invoked, and that their refusal of arbitration was therefore legitimate. Japan is nevertheless prepared to resume direct negotiations with Peking with the sincerest desire for a reasonable settlement; but she expects the Chinese to remember that, without the intervention of Japanese arms, Manchuria would have been altogether and irretrievably lost to them.

THE ANGLO-JAPANESE ALLIANCE.

Nothing seems to me more hopeful for the usefulness and permanency of the Anglo-Japanese Alliance than the anxiety which I have found here to remove all misconceptions concerning the moderation and loyalty of Japanese policy. Never during previous visits have I received more abundant proof of the value attached to British friendship, and of the universal belief in the necessity of maintaining the alliance between the two countries.

I received the highest possible confirmation of these sentiments in an audience which his Majesty the Emperor graciously accorded yesterday to me and to my Peking colleague.

Reuter's telegram giving the gist of the *Times* comment on this telegram said that it "cannot be read with sincere pleasure by all friends of Japan and of our alliance with her." What the *Times* said was exactly the reverse. It said that the telegram "cannot fail to be read with sincere pleasure," etc. The *Times* concludes its comment as follows:—

There can be little doubt that of the objects pursued by China in her handling of Manchurian questions has been, and is, to create friction between Japan and other Powers. By giving the contract for the Fa-ku-menn Railway to a British firm, after they had been informed that Japan would regard the construction of the line as a violation of the Protocol of 1905, Chinese statesmen, there can be little doubt, hoped to embroil us with our allies. In this they have been disappointed. Our alliance and our friendship with Japan are based too firmly on the interests of both countries to be seriously affected by such transparent manoeuvres.

A RAILWAY TRAGEDY.

Before Mr. J. H. Kemp, sitting as coroner, and a jury, an inquiry was held at the Magistrate's on the 21st inst. into the cause of death of a coolie named Yat Fung Tin, whose body was found under some earth of the South face of the Beacon Hill tunnel on June 11th.

Dr. W. W. Pearse, medical officer in charge of the Kowloon mortuary, deposed to making a post-mortem examination of deceased. He was of opinion, from the condition of the heart and lungs, the congested state of the liver, and the condition of the brain, that death was due to asphyxia.

Cheng Moon, a foreman of works, engaged on the Beacon Hill tunnel, said he was in charge of a gang of coolies between 6 p.m. on the 10th and 6 a.m. on the 11th. Deceased, who was one of the gang, was missed at eleven o'clock at night, but as he was often going away sick witness thought he had left again on that account.

Sergeant Angus deposed to visiting the south face of the Beacon Hill tunnel on the morning of June 11th, and finding deceased's body partly covered with earth. Near the embankment where deceased was discovered witness found a blood-stained stone. He was of opinion that deceased had struck this stone with his head, rolled down the embankment, and then got covered with earth.

The jury found the cause of death to be asphyxia, following an accident.

ANTIMONY IN HUNAN.

Mr. W. M. Hewett, H.B.M.'s Acting Consul at Changsha, has the following references to the trade of the port in Antimony:—

The increase in the export of crude antimony and the decrease in the export of ore are both noticeable. The local notables who control the antimony works are in touch with London and are kept fully informed as to the prices ruling in the London market. It seems probable that the export of ore will continue to decrease owing to the erection of new machinery and the more perfect handling locally of the ore, and that the export not only of crude but of refined antimony (regulus) will steadily increase.

The increase in the export of crude is no doubt due to the presence of a foreign buyer in Changsha. The old difficulty still exists of inducing the sellers to realise the binding nature of a contract, but constant personal contact between the native seller and the foreign buyer ought, with patience, to remove this serious obstacle to a satisfactory working basis, and it seems likely that in future contracts will be more punctually fulfilled.

The price of crude, Changsha sales, varied from 1 l. 13s. 4d. to 1 l. 6s. 8d., and of ore from 4d. 13s. 4d. to 6l. 13s. 4d. It is hoped with the new machinery to produce refined antimony containing at least 99.60 per cent, and possibly 99.80 per cent. of pure antimony. The relative value of refined to crude will be about 26l. 13s. 4d. to 1 l. 10s. 4d.

During the past years the ore in Changsha has been so crudely smelted that waste ashes have been found to contain 30 per cent. antimony, many thousands of tons of such ashes have, from time to time, been thrown away and money has been made, to my knowledge, by at least one enterprising foreigner who bought up all the ashes he could. This form of speculation is, however, now at an end.

A Hunan student in Paris bought new plant and engaged the services of two French engineers to proceed to Changsha to supervise its erection. This was completed towards the close of the year. It is hoped with new machinery to produce the refined antimony mentioned above.

Another point should be noted. In the past low-grade ores have been rejected owing to the imperfect furnaces in use, but with the new perfect machinery all low-grade mines should also become valuable and the export of antimony be greatly increased.

A foreigner, well qualified to give an opinion, states that the richest ore found in Hunan is only equalled by one mine in France.

THE LATE BISHOP HOARE.

A very interesting ceremony took place at Ningpo on Monday last, the 14th inst., when the foundation stone of the Bishop Hoare Memorial Chapel was laid by the Right Rev. Bishop Molony. The weather was very inclement, rain falling incessantly, but notwithstanding this, fully 250 people were present, prominent amongst them being, H. B. M. Consul, Mr. L. H. Barr, Mr. Bertram Tarrant, architect for the building, and Mr. Robert Silby, representative of Messrs. Howarth Erskine & Co., the contractors. Rev. W. S. Moule, supported by several of the Chinese clergy, officiated, and in the course of a very impressive address, explained the object of the work. The service was in Chinese and was a translation of the Canterbury Diocesan service used in the observance of such ceremonies. As a memento of the occasion, Bishop Molony was presented with an elaborately fashioned trowel and mallet, executed in teak and silver, and bearing the inscription, "Presented to the Right Rev. H. J. Molony, D.D., Bishop in Chékiang, on the occasion of the laying of the foundation stone of the Memorial Chapel to Bishop Hoare." Tea was afterwards partaken of by those assembled. The style of the building is a free treatment of late Gothic, and the fabric is of dressed Ningpo stone with brick and rough cast. The roof is of Chinese design surmounted by a small bell flèche. There is a small chancel and a nave capable of seating 150 students with stalls for twelve masters.—*N. C.-Daily News.*

FAR EASTERN TELEGRAMS.

REPORTED OBSTRUCTION OF JAPANESE.

Tokyo, June 23rd.

The Foreign Office has received a report from the Japanese Consul at Hankow relating to the obstruction of Japanese trading in the interior, due, it is alleged, to the unwarrantable interference of the German Consul at Hankow on behalf of his nationals.

[FROM THE "CHUNG NGOI SAN PO."]

PROPOSED CHINESE TAX ON CIGARETTES.

Peking, June 24th.

The Ministry of Finance recommends the imposition of a heavy likin tax on cigarettes instead of raising the likin tax on salt which is already very heavy.

A VICEROY DISMISSED.

Peking, June 24th.

An Edict has been issued dismissing Sing Wan, the Viceroy of Kansu and Shensi Provinces.

ILLNESS OF A VICEROY.

Peking, June 24th.

The Viceroy of Chili (the successor of Yuan Shih Kai) is dangerously ill.

HAIPHONG TO PARIS IN 20 DAYS.

The President of the Chamber of Commerce at Hanoi has addressed to the Governor-General of Indo-China a letter suggesting a steamship line between Haiphong, Hongkong and Shanghai. The *Avenir du Tonkin* learns that the proposal is that three 16-knot steamers of 1,500 tons shall be placed on the run, the line to receive an annual subvention of about 1,200,000 francs. A steamship service to Shanghai, it is pointed out, would give passengers the option of three routes to Europe—(1) Via Vladivostok in 24 days; (2) via Hankow and Peking, 25 days; via Dalny 22 days. But our contemporary suggests that Dalny and not Shanghai should be the terminus, and that the postal subvention should not be less than 1,500,000 francs. It is pointed out that the movement of traffic between Hongkong and Shanghai is nil, and speed being the great desideratum it would be inadvisable for the steamers of the line to take in cargo or discharge Shanghai cargo at Hongkong. It would probably mean a loss of two days in the transit of the mails. By a fast service to Dalny the mails could reach Paris in 20 days, from Haiphong-to Dalny 8 days, from Dalny to Paris 12.

CHINA'S LOST RIGHTS.

The Waiwupu has reported to the Throne items enumerating China's lost rights which ought to be restored gradually, of which the important ones are as follow:—

1.—Judicial Rights.—At present Consular jurisdiction is still in existence in China, and Mixed Courts are still in various open ports and towns.

2.—Tariffs.—Foreign countries have their own tariffs decided by themselves, but in China only tariffs agreed with foreign powers are levied. Thus it is impossible to increase the items and amounts of tariffs of China's own accord.

3.—Postal Service.—In China there are many foreign post offices in various ports, which fact is an infringement of China's rights of administration of communications.

4.—Monetary.—In foreign countries no foreign money is allowed to be used, but in China there are many foreign moneys in circulation which influence China's finance a great deal.

Besides these there are many others such as right of policing, the right of land ownership, mining, transportation on land and water, the right of trade in the interior, etc.—The *Eastern Times*.

SHIPPING NOTES.

The Great Northern Co.'s steamer *Dakota*, which struck a reef off Shirahama, Japan, in May, 1907, and later sank, is being salvaged by men employed under Mr. Yamashina, a marine engineer of Tokyo.

The Japanese newspaper *Nippon* is authority for the statement that on account of the anti-Japanese boycott in South China since the *Tatsu-maru* affair last year, the Nippon Yusen Kaisha and the Toyo Kisen Kaisha have lost about Y 700,000 and Y 800,000 in freights respectively.

At Yokohama the hearing has been commenced of an action brought by the Tokyo Marine Insurance Company, Yaesucho, Tokyo, against the Compagnie des Messageries Maritimes, claiming the payment of Y 79,020 for the sinking of the steamer *Iburi-maru*, of the Hokkaido Coal-mining and Steamship Company, in collision with the steamer *Sydney*, of the defendant Company, on January 24th this year in the mouth of Tokyo Bay. The steamer *Iburi-maru* was insured with the plaintiff Company for Y 80,000 for one year. The sum of Y 79,020 is the balance of this amount, after deducting the proceeds from the auction sale of the *Iburi-maru*.

SHANGHAI TRADE.

Messrs. Ilbert and Co.'s Piece Goods Market Report says:—

There has been an improvement noticeable in our market during the week, the beneficial rains which have fallen having put a little heart into buyers for several important outlets, so that altogether a fair volume of sales and resales have taken place. Clearances also, which have been fair, will probably be brisker when the weather clears and admits of the freer movement of cargo.

The rapid upward movement of American Cotton has enhanced goods in producing centres to a level which prevents this market from becoming a purchaser for the time being, although the rise in prices quoted is for the main part far from commensurate with the advance in that of cotton since the early part of the spring, and must be upon a very unremunerative scale from the point of view of manufacturers, whose chief difficulty at present appears to be to get work enough to keep going. Whether American cotton can be maintained at its present high level when the influence of the new crop begins to be felt, on the market, is a problem that can only be answered by the question as to whether the "out of sight" cotton of the last crop is consumed or only held "out of sight" for speculative reasons.

The improved agriculture prospects have stimulated the yarn market, Bombay spinnings being firm, while local spinnings have been in good request.

The high prices for which the natives have been able to sell their cotton this year is stated to have resulted in a considerable increase up country in the area of ground put under cotton cultivation for next season, but locally a counter attraction to farmers has been to sow beans in greater quantity than usual, for which the demand for export that had its initiative last season has stimulated the value.

PIRATICAL ATTACK NEAR MACAO.

Our Macao correspondent writes:—

"Last Thursday night the Macao police received a signal that Colowan was being attacked by pirates. A posse of police, in charge of a sergeant, was dispatched, but it was remarked that the officer in charge at Colowan returned and stayed the night at Macao! The gunboat *Rio Lima* did not proceed to the scene of the conflict until ten o'clock on Saturday morning. There's activity for you!

"The harbour police on Friday morning seized a couple of junks with large quantities of arms and ammunition on board. Two days previously two junks similarly laden were seized in Praya Grande Bay.

"Great numbers of pirates are about just now, and the police are making daily arrests.

"It appears that an attempt was made to capture Colowan."

CORRESPONDENCE.

A MACAO GRIEVANCE.

[TO THE EDITOR OF THE "HONGKONG DAILY PRESS."]

Macao, 23rd June, 1909.

SIR,—Your Macao correspondent, in commenting lately upon the present stringency in both the Municipal and Colonial coffers here, suggested as a panacea that the number of useless officials might be reduced. There is, of course, a lot to be said in favour of this proposition, but there is another channel through which a good deal of the Colony's money runs to waste, and which, I think, ought to be checked. I refer to the enormous sums of money spent yearly in passages for officials, both civil and military, caused by constant transferences and by trips home by order of the Medical Board.

This form of home leave has been greatly abused. It has been remarked that no matter how depleted the Colonial coffers may be, there is always money for these little trips home. It would be interesting if statistics could be procured of the money spent in this way, say, during the last ten years. It would be safe to put it down to half a million dollars at least. Recently a subordinate official, drawing about \$100 a month, went home with his family, whose passages cost the Colony something like \$5,000! Now, don't you think, Mr. Editor, this is sheer waste of public money? Could not the post he occupied be filled locally with advantage to the Colony?

Undoubtedly the system of Medical Board leave is responsible for a good deal of unnecessary expenditure of public funds and opens the door to all sorts of abuses. A nostalgic official feels like taking a trip home. He asks to be submitted to a Medical Board, and if he is influential enough, it is ten to one he gets a trip home at the expense of the Colony. This sort of thing is scandalous and ought to be stopped in future. It is not an uncommon thing for healthy-looking officials to go home on leave of the Medical Board, to avoid premature death! Therefore I say, both from the point of view of public morality and for the sake of our dilapidated finances, this kind of leave ought to be either suppressed or considerably modified.

I understand your Hongkong officials also go home pretty often, but then they go at their own expense. Here the passages of officials and their families are always defrayed by the Colonial Treasury—Yours, &c.

OMEGA FROM THADEUS' DELTA.

GERMANY IN CHINA.

FORTIFYING KIAOCHAU.

The work of fortifying Kiaochau, says a Berlin dispatch dated the 31st ult., is being carried out very effectively, and Germany has now begun to fortify the Protectorate from the land side of the peninsula. Hitherto on the southern and eastern approaches enormous marine defence works have been thrown up in the form of redoubts and coast batteries. On the northern coastline the shallow waters would not allow an enemy's warships to get near the shore, and there the defence works have been only very small. As the Germans hold Kiaochau by a lease, which will not expire until 1997, it is clear that these new fortifications are intended to show other people that Germany means to resist any attack from the land side as well as from the sea. At all events, the work referred to has attracted a great deal of attention in official circles in Peking.

A report on the French Budget for the year 1898 by the Councillor of H.M. Embassy at Paris shows that the contribution of Indo-China was £546,000. The Chinese indemnity figured for £444,868. Amongst the subventions granted to navigation companies a sum of £238,253 is set down for the Indo-China and Japan service.

COMMERCIAL

IMPORTS:—

RICE.

HONGKONG, 25th June.—The quotation of the market is nearly the same as when last reported.

Saigon, Ordinary	\$480.	to	\$4.80
" Round, Good quality ..	4.95	to	5.00
" Long	5.00	to	5.15
Siam, Field mill cleaned, No. 2 ..	5.00	to	5.05
" Garden, " No. 1 ..	4.95	to	5.00
" White	5.15	to	5.20
" Fine Cargo	5.40	to	5.45

MARKET INFORMATION.

YOKOHAMA, 31st May, 1909.

Cotton Yarns.—The market is quiet, and home prices are still preventing business. Cotton Piece Goods.—In Grey Shirtings some business has been passing in standard qualities, apparently at prices below-to-day's market values. Generally speaking, buying for Greys has come to an end for the season. Grey Printers seem to have been neglected. There has been a little enquiry for White Shirtings, and for Cotton Italians in standard qualities a few orders have been put through. Woollen and Woollen Mixtures.—This market is still very dull, and order for next Spring season, which should be coming in now, still hang fire. Raw Cotton.—The situation is unchanged. No business of any importance has been reported during the last fortnight. Rice.—As last reported, the tone of the market continues to improve without, however, anything special to report, very few orders being placed for foreign importations. Metals.—The market is quiet. A few offers for Bars have passed, but no actual business seems to have resulted, buyers being unwilling to meet home price. Window Glass.—Home prices are somewhat weaker. Stocks here are accumulating, but quite a number of new orders has been placed for June-July-August shipment. Sugar.—A few transactions in Hongkong Refined have been put through. The last two auctions of the Dai Nippon Sugar Refinery proved abortive. Flour.—Business in imported grades is entirely at a standstill, and dealers are endeavouring to re-export to other markets. Wheat.—No business passing.

OPIUM.

HONGKONG, June 24th.—Since the 10th ulto, the movements in the various Opium markets have been as follows:—

	Malwa	Patna	Benares	Persian
Stocks on the 10th June, 1909—	2,641	2,582	883	645
June 15th Imports per Japan ..	—	175	—	—
" 21st " " A. Behic ..	—	125	—	—
" 22nd " " Lightning ..	—	200	495	—
" 23rd " " Assaye ..	154	—	—	19
	2,795	3,142	1,178	664
Less Exports to Shanghai ..	—	175	25	—
Less Exports to East and West Coast Ports including Local Consumption for the fortnight ..	112	409	117	214

Estimated Stocks this day .. 2,683 2,498 1,036 450

Bengal.—As bargains in the hands of the Chinese are moderate, there has been some demand all along. Closing quotations are \$10.00 for Patna and \$10.25 for Benares. The market has opened for New Benares at \$10.25. Deliveries have been very poor for sometime past and it is expected that an improvement will shortly take place.

Malwa.—The market has been very dull and prices are weak.

Persian.—We quote superior drug at \$103 1/40.

HONGKONG, June 23rd.

Quotations are:—

Malwa New	\$1,100/1,150	per picul.
Malwa Old	\$1,160/1,200	do.
Malwa Older	\$1,210/1,240	do.
Malwa Very Old	\$1,250/1,320	do.
Persian Fine Quality	\$1,050/1,090	do.
Persian Extra Fine	\$900/950	do.
Patna New	\$1,000	per chest.
Patna Old	\$—	do.
Benares New	\$1,020	do.
Benares Old	\$1,010	do.

HONGKONG QUOTATIONS.

HONGKONG, 14th June, 1909.

Hongkong markets:—

Apricot	\$16 to 17
Borax	\$18 to 20
Cassia	\$22 1/2 to 22 1/2
Cloves	\$20 to 31
Camphor	\$84 to 86
Cow Bezoar	\$70 to 114
Fennel Seed	\$10
Galangal	\$2 to 4
Grapes	\$15 to 16
Kismis	\$15 to 17
Glue	\$26 1/2
Olibanum	\$2 1/2 to 16
Oil Sandalwood	\$250 to 350
" Rosa	\$70 to 90
" Cassia	\$185
Raisins	\$12 to 13
Senna Leaves	\$8
Sandalwood	\$33 to 35
Saltpetre	\$10 to 11

YARN.

HONGKONG.—Mr. P. Eduljee, in his Report dated 11th June, states:—A brisk demand from the country has set in and a fairly large business is in course of transaction. Dealers after holding off for a considerable time seem to have accepted the situation, but strenuously stand against any advance in price: importers, on the other hand, appear willing sellers and sales are being vigorously pressed. Sales have been confined to best spinnings of favourite chops, while other tickets coming under the category of "best," but in less favour with dealers have been passed over for lower prices. The demand has run upon almost all counts, Nos. 10s. and 20s. attracting by far the largest amount of attention and forming the bulk of the settlements. No improvement is noticeable in values, but on the other hand no material decline in prices has taken place, and although some fluctuation in rates is here and there observable the market generally may be termed unchanged. Receipts during the interval have been comparatively moderate and with larger off-takes our estimate of stocks shows a small increase. The market closes quiet. Bombay is reported strong, and latest telegrams from that port quote best No. 10s. annas 6 and No. 20s. annas 6 1/2. Sales of the interval aggregate 7,419 bales, arrivals amount to 9,257 bales, unsold stock estimated at 26,500 and uncleared stock in second hands at 20,000 bales. Local Manufacture:—No business has transpired. Japanese Yarn:—Neglected throughout. Raw Cotton:—We have had a barren fortnight in this market, high prices check consumption in both Indian and China descriptions. Stocks Indian 115 bales, Chinese nil, quotations are Bengals \$26 to 29 1/2 China \$28 to 31. Exchange on India has continued steady in sympathy with silver and closes to-day at Rs. 133 1/2 for T/T and 133 1/2 for Post. (On Shanghai 7 1/2 and on Japan 86 1/2). The undermentioned business in imported and local spinning is reported from Shanghai during the fortnight ended the 10th instant, viz.—Indian:—The market has continued quiet, but at the close the demand is improving. Total sales about 2,000 bales, No. 20s. showing a slight improvement in values. Estimated stock about 35,000 bales. Japanese Market weak owing to increasing stocks. Total sales about 1,000 bales on the basis of Tls. 97 1/2 to 106 1/2 for No. 16s and Tls. 104 1/2 to 113 for No. 20s. Local:—Demand continues and about 1,000 bales No. 16s. have changed hands at Tls. 99.

PIECE GOODS.

Messrs. Noël, Murray & Co. in their Piece Goods Report, dated Shanghai 18th June, 1909, state:—Rain has continued to fall somewhat copiously throughout the interval and there must be few ports now that can complain of the want of it. Judging from the results, that is in the way of business, it has given general satisfaction and trade seems to be on the mend. This is always the more satisfactory just prior to a settling day, and portends a better market when that ordeal is over. It is certainly gratifying to find the inquiry is showing signs of improvement all round at this period of the year, a time that is invariably dull, and it should augur well for the future. Newchwang has taken an important position in the buying, but the other Ports have been in a better mood as well, business being fairly well distributed throughout the Country. For the Northern Ports attention has been chiefly centred on American goods, Drills more particularly, but certain Manchester makes have also met with quite a decent inquiry from that quarter, as well as for Chefoo, Kiaochow, Hankow and the other River markets,

while there is a good demand for heavy Shirtings both for Ningpo and Hangchow. Clearances have been on quite a free scale in the intervals between the rain storms and have certainly been the most satisfactory feature of the week, as although it does not always mean reducing the stock of unsold goods it implies some inroad into the excessive supplies that are hanging over this market. The position in Manchester is unchanged, prices being perhaps rather firmer in sympathy with the raw material. The latest Liverpool quotation for Mid-American Cotton is 5.98d, a sudden advance possibly to catch the June shorts. This looks the more probable as the "spot" price has suddenly outstripped "futures." Egyptian is unchanged at 8 1/2d. Advices received to-day from New York report the quotation for July option 10.97 cents for Mid-Orleans. A fair business is reported in Drills at 11s. 3d. for Pepperells, but we understand that about 5 per cent. advance is wanted for further quantities. The market for Indian Yarns is more active but the bulk of the transactions have been through second hands. Foreign holders have succeeded in getting prices up slightly, and will probably be able to maintain them on that level as the Native Importers have very light stocks now. The market in Bombay is fairly steady and a moderate business is passing. In Japanese Spinners business is conspicuous by its absence, holders, by their action in trying to force prices up to a level more commensurate with those ruling in the home centres, causing a curtailment of the demand. This has probably diverted attention to the local Spinners, contracts for which to the extent of 10 to 12,000 bales, have been entered into during that interval. Native Cotton is firmer owing to the local demand. We notice that advices have come from Peking that the revised edition of the proposed Trade Marks regulations is now completed and will be promulgated in the coming Autumn. We can only imagine they will be submitted to the interested parties here, and meet with their approval, before they come into force. Anent the question of Bank notes, the Bank that closed its doors here recently had an issue of Tls. 60,000 with absolutely nothing to meet them. It is now announced that the Shanghai Mint is willing to advance Tls. 40,000 towards meeting them, so they will evidently only be paid at a heavy discount. It is eminently satisfactory to learn that the British Government refuses to join in any conference regarding the increase of China's Customs Duties until such time as other conditions and stipulations in the Mackay Treaty have been properly carried out. It is quite time that the Country, whose trade and vested interests in this Empire far exceed that of all the other nations, should at last assert itself any try to safeguard the rights of her subjects. The business done this week has shown some return of life to this market. There is a much better feeling and more enquiry, and if the demand has not reached Importers directly, they are to a large extent benefitted by the improved clearances. Hankow alone is said to have taken fully 2,000 packages of Manchester goods during the interval and most of the other markets have taken a fair quota, but it is feared the fresh arrivals are enjoying the preference. First hands, have participated in the business to some extent, the demand embracing a large variety of staple goods, but at prices that are below replacing cost. In American makes a larger business is reported from first hands than for some time past. A mild estimate puts it at 5,000 bales, mostly Drills, but the resales probably exceed that quantity. Of the former we quote Pacolet and Massachusetts Tls. 4.85, Cameron 2 Rabbit Tls. 4.80 and Piedmont Tls. 4.60, all Drills, and 500 bales of Sheetings, particulars of which have not reached us. These are all from stock and in addition it is reported 2,500 bales Pepperell Drills have been booked to arrive at 11s. 3d. Of the resales the following sheetings are reported to us:—Lindale Tls. 3.75, Blue Elephant Tls. 4.30 Piedmont K. Tls. 4.35, Buffalo A Tls. 4.37 1/2, Running Horse Tls. 4.55, Stag and Dog and Small Cat's Head Tls. 4.57 1/2, Large and Small Eagle Tls. 4.60, 3 Rabbits Tls. 4.62 1/2, Man and Lion Tls. 4.70, Owl Tls. 4.75, Flying Man Tls. 4.80 and Whitney Tls. 4.90, Ring Calf Head Tls. 4.27 1/2, Large and Small Eagle, Standing Horse, Piedmont A and Heaven Mandarin Tls. 4.60, Blue Pagoda and Rapid Fire Tls. 4.75 and Pepperell Tls. 5.00. The Auctions have not altogether fulfilled the expectations as regards the staple makes, none of them showing any inherent strength, while the reverse was frequently the case. Exceptions may perhaps be in best White Shirtings and White Irishes. Turkey Reds were steady to firm, and East Black Italians, and Venetians decidedly firmer. Woollens have suffered a reaction and with few exceptions lower prices are recorded.

HONGKONG PRICES CURRENT.

HONGKONG, 25th June, 1909.		
COTTON PIECE GOODS—		
Grey Shirtings—8lbs. piece	\$1.80	—
7 lbs. "	2.40	—
8.4 lbs. "	—	—
10 lbs. "	4.10 to	5.30
White Shirtings—54/56 reed ..	2.45 to	3.45
58/60 ..	3.55 to	5.85
64/66 ..	6.00 to	7.05
Fine ..	7.95 to	9.05
Book-folds ..	3.05 to	6.05
Victoria Lawns—12 yards ...	0.65 to	1.80
T-Cloths—6 lbs. (32 in.) Ord'y ..	1.95 to	2.20
7 lbs. "	2.25 to	3.35
6 lbs. "Mexicans,"	—	—
7 lbs. "	2.70 to	3.80
8 to 8.4 oz., (36 in.) ..	3.20 to	4.20
Drills, English—40 yds., 13½ (to 14 lbs.) ..	4.30 to	5.30
FANCY COTTONS—		
Turkey Red shirtings—1½ to 6 lbs. piece	1.72 to	5.10
Brocades—Dyed .. yard	0.10 to	0.15
Chinese—Assorted ..	0.07½ to	0.35
Velvets—Black, 22 in., ..	0.25 to	0.55
Velveteens—18 in., ..	0.23 to	0.28
Handkerchiefs—Imitation } Silk per dozen }	0.50 to	4.00
WOOLLENS—		
Spanish Stripes—Sundry chops .. yard	0.70 to	2.00
German, ..	2.00	—
Habit, Medium & Broad Cloths, ..	1.25 to	3.00
Long Ells—Scarlet, 7-9 lbs. piece	7.80 to	9.40
Assorted ..	7.90 to	9.40
Camlets—Assorted ..	—	—
WHEATEN FLOUR—		
Lastings—30 yds. 31 inches } Assorted .. }	14.00 to	21.00
Orleans—Plain ..	9.00 to	12.00
Blankets—8 to 12 .. lbs.	0.60 to	1.50
RAW COTTON—		
Bombay .. picul	\$24.00 to	\$29.00
Bengal (New), Rangoon and Dacca ..	24.00 to	29.00
Shanghai and Japanese ..	27.00 to	30.00
Tungchow and Ningpo ..	27.00 to	30.00

AMOY IMPORTS AND EXPORTS.

The Amoy Gazette and Shipping Report, of the 21st June, 1909, publishes the following principal goods passed through the Custom House.

IMPORTS.		Quantity
Cotton Raw, Indian ..	pls.	—
Cotton Raw, Native ..	—	66
Cotton Raw, Yarn ..	—	1,740
Shirtings, Grey ..	pcs.	1,620
T-Cloths ..	—	1,325
Shirtings, White ..	—	2,595
T. Red. Shirtings ..	—	66
Drills ..	—	45
Shirtings Dyed, Brocades ..	—	91
Shirtings Dyed ..	—	44
Damasks ..	—	—
Camlets ..	—	92
Lasting ..	—	20
Spanish Stripes ..	yds.	312
Lustrees, Figure ..	—	—
Lead, in pigs ..	pls.	64
Tin in slabs ..	—	103
Iron, Nail rod ..	—	62
Quicksilver ..	—	2
Iron, Old ..	—	147
Iron wire ..	—	60
Rice ..	—	15,026
Opium, Patna ..	—	10
Opium, Benares ..	—	51
Opium, Persian ..	—	7
Opium, Malwa ..	—	1
Opium, Szechuan ..	—	24
Opium, Yunnan ..	—	16
Opium, Shan-i ..	—	—
Sesamum Seed ..	—	—
Sapanwood ..	—	51
Sandalwood ..	—	—
Rattans ..	—	19
Wheat ..	—	—
Flour ..	—	3,338
Bean cake ..	—	15,848
Beans and Peas ..	—	17,756
Bicho de Mar ..	—	30
Mats Tea ..	pcs.	—
Oil, Kerosine American ..	galls.	—
Oil, Kerosine American in bulk ..	—	—
Oil, Kerosine Borneo in bulk ..	—	—
Oil, Kerosine Russian ..	—	—
Oil, Kerosine Sumatra ..	—	—
Oil, Kerosine Bulk ..	—	—
Coal ..	—	125
Tobacco Leaf ..	pls.	206
Vernicelli ..	—	250

EXPORTS

Sugar, White ..	pls.	—
Sugar, Brown ..	—	—
Sugar, Candy ..	—	—
Hemp Bags ..	pcs.	3,500
Hemp Sacking ..	—	1,000
Paper I Quality ..	—	1,044
Paper II Quality ..	—	164
Tobacco, Prepared ..	—	148
Kittysols (umbrellas) ..	pcs.	850

EXPORTS:—

SILK.

YOKOHAMA, 31st May, 1909.

RAW SILK.—Since the 10th instant the date of our last report, Japanese Exporters have been principal buyers and have continued purchasing very inferior silks at slightly lower prices than those last quoted. Splendid weather has prevailed, and a rich harvest of mulberry leaves is reported from everywhere. It is confidently expected that a large crop will be produced during the coming season. Contracts for new Silks have been made at Y.1080 to 1100 for Extras, Y.950 for No. 1 Kanzaiz, and Y.910 for No. 1-1½ Shinshiu Filatures.

WASTE SILK.—Market a little more active, prices firmer. Settlements from May 10th to May 24th, 2,300 piculs. Total settlements from July 1st to May 24th, 61,500 piculs. Stock on May 25th is estimated at 4,600 piculs, viz.:—Noshi 800 piculs. Kibizzo 3,000. Pierced cocoons, Sundris 800 Total 4,600 piculs. Against last year 10,700 piculs.

HABUTAI.

YOKOHAMA, 31st May, 1909.

KANAZAWA.—Since our last report the market for this grade has remained quiet. What limited demand exists has centered round 23 and 36 inch European goods, and 27 inch American quality.

ECHIZEN.—There has been a fair demand for these goods, both for the European and American markets, and prices have shown a slow but steady advance. The European do and has been principally for the 23 inch and 36 inch goods in heavy qualities and twills, consequently prices have advanced in all grades in these sizes, while that for America has been mostly in 27 inch goods, which has caused a rise in the 6 and 6½ momme qualities, this advance being due to the scarcity of sufficiently satisfactory quality for this market.

KAWAMATA.—The price of these goods has advanced all round with the exception of 36 inch, but large stocks are being held at present and plenty can be obtained, but of poor quality, at prices considerably under the market quotation.

TEA.

FOOCHOW.—The following settlements have taken place during the week ended the 28th inst:—Congous, 12,812 half-chests, viz.:—1,132 half-chests Paklum, 7,037 half-chests Panyong, 190 half-chests Saryune, 3,876 half-chests Seu-moo, 577 half-chests dust and broken leaf. Souchong, 14,135 half-chests. Scented teas, 2,328 boxes. Flowery Pekoes, 199 chests.

The Total Export of Tea from Foochow to America, according to Invoices certified at the U. S. Consulate, from commencement of Season to date is as follows:—

	Total lbs.
Total Export to date Season ..	119,955
The Tea Export Summary from commencement of Season to date is as follows:—	
	Total lbs.
Austria ..	180,155
France ..	259,120
Germany ..	734,276
Holland ..	212,992
London ..	1,035,008
Russia ..	105,286
Other Countries ..	133,017
South America ..	—
Australia & N. Z. ..	42,464
U. S. & Canada ..	141,011
South Africa ..	—
Coastwise Southward ..	9,239
Coastwise Northward ..	14,143
Total Shipments ..	2,866,741

CAMPHOR.

HONGKONG 25th June:—There is nothing to report in this market, and prices are the same.

MISCELLANEOUS EXPORTS.

Per P. & O. steamer *Palermo*, sailed on 14th June. For Hamburg—250 bales Hemp. For Rotterdam—450 bales Hemp, 390 pkgs tea. For Antwerp—300 bales Hemp. For Manchester—125 bales waste silk. For London—5,668, bales Hemp, 10 bales bristles, 2 cases bamboo hats, 1 case wooden screen, 5 rolls mats.

P. & O. steamer *Poona*, sailed on 16th June. For Hamburg—140 h/c tea. Rotterdam—250 bales hemp, 112 h/c tea. For Antwerp—24 pkgs rattan chairs. For Glasgow—14 cases woodware, 5 cases chinaware. For Manchester—50 bales waste silk. For Marseilles—100 bales hemp, 4 bales human hair. For London—50 bales waste silk, 100 h/c tea, 1900 bales hemp, 4556 pkgs fire crackers, 48 cases chinaware, 150 rolls matting, 7 cases empty gas flasks, 5 cases woodware, 2 cases cigars, 1 case clothes.

HONGKONG SHARE QUOTATIONS.

HONGKONG, 25th June, 1909.—The market has ruled quiet with declining rates during the week and only a small business has been transacted. Exchange on London closes at 1/9½ and on Shanghai at 74½.

BANKS.—Hongkong and Shanghai are about the only shares which have shown any vitality during the week, and in these a fair business has been transacted at 99½ and later at 1,000, the market closing steady at the latter rate. The London rate has improved to £93.10 and Shanghai report sales at 1015, at exchange 73. Nationals remain unchanged and without business.

MARINE INSURANCE.—With the exception of North China, which have improved to 108 with buyers we have nothing to report under this heading.

FIRE INSURANCES.—There are no changes to report under this heading beyond a small sale of Chinas at 111. Hongkongs are enquired for at 34½.

SHIPPING.—Hongkong, Canton and Macao continue steady at 33 and several lots have changed hands during the week at that rate, the market closing with further buyers. Indochina upon the publication of the result of the years working have declined to 68 sellers for the combined shares, the market closing a week one at quotation. The General Agents published a telegram from the Home Office to this effect. "The annual meeting of the shareholders in the Indo-China Steam Navigation Co. will take place on the 29th current, £80,000 has been transferred from Reserve Fund and £80,000 from Underwriting account, which will then stand at £438,911. £55,358 has been written off for depreciation, and the balance of £15,162 remaining at credit of profit and loss account it is proposed to carry forward." Shells have been in strong demand but we have heard of no sales, and at the close buyers vainly offer 64/- while the London rate remains the same at 64/9, for name shares. Other stocks under this heading call for no comment.

REFINERIES.—China Sugars with shares persistently on offer at 140, suddenly fell to 135 with sales and some forward sales have been transacted on that basis. The market, however, closes with an inclination to buy at 135. Luzons remain neglected and without change.

MINING.—Raubas have changed hands at 9½ and 9, closing with sellers at the latter rate. Chinese Engineerings remain at 18½ without business. Langkats show an improvement on the week 1045, the latest quotation from the North.

DOCKS, WHARVES AND GODOWNS.—Hongkong and Whampoa Docks have steadied up a bit and after sales at 64 close in demand at 63, without finding sellers. Kowloon after sales in the early part of the week at 58 and 57; have declined to 55 with sales, at the last rate however buyers rule the market. Shanghai Docks fell in the early part of the week to 76; but have since recovered to 78, at which the market closes firm. Hongkows have receded in the North to 161.

LANDS, HOTELS AND BUILDINGS.—Hongkong Lands with shares still on offer at 109 further declined to 107 at which some small sales took place. The market closes with sellers at 108. West Points have been placed at 46½, a slight improvement on last quotation. Humphreys have advanced to 9½ with sales and

further buyers. Hongkong Hotels have been the medium of small investments at 68, for the old shares, while a demand for the new issue at 38 remains unsatisfied.

COTTON MILLS.—Ewos have improved in the North to 126½, after ruling weak in the early part of the week at 122 and 124. Other stocks under this heading show no changes.

MISCELLANEOUS.—China Borneos have been placed at 13½ to 14½, closing at 14½. China Provs are enquired for at 9, 60 Dairy Farms at 16½, Electrics at 20, Peak Trams at 13½ and Steam Laundries at 5½. Green Islands have been placed at 8.90 and 9, Ropes at 25 and China Lights at 6½, the last, closing with sellers at 7 and probable buyers at 6½.

Quotations are as follows:—

STOCKS	PAID UP.	QUOTATIONS
Banks—		
Hongkong & S'hai...	\$125	\$1,000, sellers
National B. of China	26	\$51, buyers
Bell's Asbestos E. A....	12/6d.	\$104, buyers
China-Borneo Co.....	\$12	\$14½
China Light & P. Co....	\$10	\$7, sellers
China Provident	\$10	\$9.00, buyers
Cotton Mills—		
Ewo Cotton S. & W.	Tls. 50	Tls. 126½
Hongkong C. S. Co.	\$10	\$8½, sellers
International	Tls. 75	Tls. 89
Laou Kung Mow	Tls. 100	Tls. 108
Soychee	Tls. 500	Tls. 370
Dairy Farm Co.....	\$6	\$16½, buyers
Docks & Wharves—		
H. & K. Wharf & G.	\$50	\$55, buyers
H. & W. Dock	\$50	\$63, buyers
New Amoy Dock	\$6½	\$9
Shanghai Dock and Eng. Co., Ltd	Tls. 100	Tls. 79
S'hai & H. Wharf....	Tls. 100	Tls. 161
Fenwick & Co., Geo....	\$25	\$11, sellers
G. Island Cement Co	\$10	\$9
Hongkong & C. Gas....	\$10	\$210, buyers
Hongkong Electric....	\$10	\$20, buyers
Hongkong Hotel Co. {	\$50	\$68, (old) sales
Hongkong Ice Co.....	\$25	\$38, buyers
H'kong Rope M. Co....	\$25	\$155, sellers
H'kong Rope M. Co....	\$10	\$25, sales
Insurances—		
Canton	\$50	\$195, sellers
China Fire	25	\$110, buyers
China Traders	\$25	\$85½, buyers
Hongkong Fire.....	\$50	\$345, buyers
North China	25	Tls. 106, buyers
Union	\$100	\$40, sales
Yangtze	\$60	\$215
Land and Buildings—		
H'kong Land Invest.	\$100	\$108, sellers
Humphrey's Estate	\$10	\$9½, sales
Kowloon Land & B.	\$30	\$30
Shanghai Land.....	Tls. 50	Tls. 120
West Point Building	\$50	\$46½
Mining—		
S. F. des C. du T'kin	Fr. 250	\$625, buyers
Raub	18/10d.	\$9, sellers
Peak Tramways Co., Ltd	\$10	\$13½, buyers
Philippine Co., Ltd....	\$1	\$1½, buyers
Philippine Co., Ltd....	\$10	\$8, sellers
Refineries—		
China Sugar	\$100	\$135, buyers
Luzon Sugar	\$100	\$15, sellers
Robinson Piano Co. ...	\$50	\$60, sellers
Steamship Companies—		
China and Manila...	\$25	\$11, seller
Douglas Steamship...	\$50	\$36
H., Canton & M. ...	\$15	\$33, sales & buy.
Indo-China S. N. Co.	25	\$45½, sellers
Shell Transport Co.	21	\$64½, buyers
Star Ferry	\$10	\$26
South China M. Post...	\$5	\$15½
Steam Laundry Co....	\$25	\$24, sellers
Steam Laundry Co....	\$5	\$5½, buyers
Stores & Dispensaries—		
Campbell, M. & Co....	\$10	\$12
Wm. Powell, Ltd. ...	\$7	\$4, seller
Watkins, Ltd.	\$10	\$3½, sellers
Watson & Co., A. S.	\$10	\$8.70, sellers
Weissmann, Ltd.	\$100	\$150, buyers
United Asbestos	\$4	\$13
Union Waterboat Co....	\$10	\$300
Union Waterboat Co....	\$10	\$11, buyers

VERNON & SMYTH, Brokers.

SHANGHAI SHARE QUOTATIONS.

17th June, 1909.

COMPANY.	PAID UP.	QUOTATION.
Banks:—		
Hongkong & S'hai...	\$125	\$1,015
National of China...	26	\$50, sales
Russo-Chinese	R187½	Tls. 125
Insurance:—		
Union Society C'ton	\$100	\$845, sales
North-China	25	Tls. 105, buyers
Yangtze Assocn. ...	\$60	\$230
Canton	\$50	\$195, sellers
Hongkong Fire.....	\$50	\$345, sales
China Fire.....	\$20	\$110, buyers
Shipping:—		
Indo-China { pref. } { def. }	25	Tls. 54 sales
Shell Trans. (ord.)	21	\$3.20
S'hai Tug & { pref. } { ord. }	210	\$211.00, buyers
Lighter ... { pref. }	T50	Tls. 50, sales
Taku Tug & Lighter	T50	Tls. 53, sellers
Kochien Transport- ation & Tow Boat	T50	Tls. 45, sales
Docks & Wharves:—		
S'hai Dock & Eng...	T100	Tls. 81½, sales
H. & W. Dock	\$50	\$67, sellers
S. & H'kew Wharf...	T100	Tls. 163, sales
H. K'loon W. & G...	\$50	\$59, buyers
Yangtze	T100	Tls. 205, sales
Sugar Companies:—		
Perak Cultivation...	T50	Tls. 272½, buyers
China Refining.....	\$100	\$142, sales
Mining:—		
Raub Australian ...	21	\$9½, buyers
Chinese Eng. & Min.	21	Tls. 18½
Lands:—		
S'hai Investment ..	T50	Tls. 120, buyers
H'kong Investment	\$100	\$111, buyers
Humphreys' Estate	\$10	\$9½, buyers
Weihaiwei	T20	Tls. 9
China	T50	Tls. 50
Anglo-French	T100	Tls. 104, buyers
Cotton:—		
Ewo	T50	Tls. 129, sellers
International	T75	Tls. 125/124½, sales
Laou Kung Mow ...	T100	Tls. 90, buyers
Soy Chee	T500	Tls. 109, buyers
H. C. S. W. D. C. , Ltd.	T10	Tls. 375
Industrial:—		
Shanghai Gas	T50	Tls. 8½, buyers
Major Brothers.....	T50	Tls. 113, sellers
Shanghai Ice.....	T25	Tls. 52½
China Flour Mill...	T25	Tls. 15, sales
S'hai Pulp & Paper	T50	Tls. 41, sales
Green Is. Cement...	T100	Tls. 40, sellers
Maatschappij, &c., in Langkat.....	\$10	\$9, buyers
Shanghai - Sumatra Tobacco	Gs. 100	Tls. 1,072½, sales
Dominion Rubbers...	T20	Tls. 170, buyers
S'hai Waterworks...	T8	Tls. 9, sellers
Anglo-Ger. Brewery	220	Tls. 415
A. Butler Cement,	\$100	\$75, buyers
Tile Works	T50	Tls. 20, sales
Kalumpung Rubber	T50	Tls. 185, sales
S. R'ber Estates ...	T100	Tls. 270, sellers
T.R. & T. Estate Co.	21	Tls. 14½, sellers
Eastern Fibre	240	Tls. 10
Shanghai Electric Construction.....	210	Tls. 28.26, sellers
Miscellaneous:—		
Hall & Holtz.....	\$20	\$22½, buyers
A. Llewellyn	\$60	\$65
A. S. Watson & Co.	\$10	\$9, buyers
Central Ordinary ...	\$15	\$19, sellers
Central Founders...	\$15	\$400, buyers
S. Moutrie & Co....	\$50	\$45
Weeks & Co.	\$20	\$25½, buyers
Astor House Hotel	\$25	\$20, sellers
Hongkong Hotel Co.	\$50	\$71, sel. ex div.
Hotel des Colonies	T12.50	Tls. 4, sellers
Tientsin Hotel	\$100	Tls. 75, sales
Lane, Crawford & Co.	\$100	\$165
Dunning & Co.	\$50	\$40, sellers
S'hai Horse Razar...	T50	Tls. 55, sales
S'hai Mercury	T50	Tls. 50
S'hai Mutual Tele.	T50	Tls. 61, sales
China Im. & Ex. Lumber	T100	Tls. 83, sellers
Shanghai Electric & Asbestos	\$25	\$21, sales
Dallas Horse Re- pository	T70	Tls. 25
Printing Co.....	T50	Tls. 50

J. P. BISSET & Co.

Messrs J. P. Bisset & Co., in their Share Report for the week ending 17th June, state:—During the week our markets have remained fairly steady with a fair business done in stocks generally. Banks.—Hongkong and Shanghai Banks. Shares have been placed at \$1,012½ for June Settlement. The T. T. on London to-day is 2/4½. Insurance.—No business report. Shipping.—Indo-Chinas have been placed at Tls. 54 and, for June at Tls. 50 also. Shanghai Tugs Ordinary shares at Tls. 50, and Kochiens at Tls. 47½. Docks and Wharves.—Shanghai Docks have been placed at Tls. 81 and Tls. 81½ June. Shanghai and Hongkew Wharves have been placed at Tls. 162½, 163 and 163½ June and for September delivery at Tls. 168 and Tls. 169. Sugars.—Peraks have been placed at Tls. 275 for cash and Tls. 272½, 275 and Tls. 280 for September. Lands.—Shanghai Lands have been placed at Tls. 119. Industrial.—Cotton Stocks. A good business has been done in Ewos at Tls. 121, Tls. 121½, Tls. 122½, Tls. 123, Tls. 124 and Tls. 125, and for September at Tls. 120. At close there are sellers at these rates. Laou Kung Mows. Shares have been placed at Tls. 108 cash and June. Later at Tls. 109 June and on the 10th instant at Tls. 110 for September. International Cottons have been placed at Tls. 90 June. Shanghai Gas shares are offering at Tls. 113. China Flours have been placed at Tls. 41 for June. Maatschappij &c., in Langkata. The market has been quiet during the week and sales have been effected at the opening at Tls. 1,095 cash and Tls. 1,125 June. Tls. 1,135, Tls. 1,160, Tls. 1,145, Tls. 1,150, Tls. 1,160, and Tls. 1,165 for September. On the 12th June share were placed at Tls. 1,090. On the 15th at Tls. 1,085. On the 16th at Tls. 1,120 ex. div. for September. The dividend of Tls. 12½ was paid on the 16th instant. At closing the market is easier for September delivery. Sumatras have been placed at Tls. 172½ for cash and later at Tls. 170 for cash and for June, and Tls. 175 for September. Rubber Stocks are quiet. Kalumpungs being quiet at Tls. 170 buyers. Senawangs Tls. 270 sellers and Tehongs Tls. 14½ sellers and Tls. 14½ buyers. Dominions \$9 sellers, and \$8½ buyers. Hall and Holtz, Limited. Shares have been placed at \$23. Telephones at Tls. 61 and Tls. 62. Debentures.—Waterworks 6 per cent. Debentures at Tls. 102.

EXCHANGE.

HONGKONG, June 25th.

ON LONDON.—	
Telegraphic Transfer	1/9½
Bank Bills, on demand	1/9½
Bank Bills, at 30 days' sight	1/9½
Bank Bills at 4 months' sight	1/9½
Credits, at 4 months' sight	1/9½
Documentary Bills, 4 months' sight ..	1/9½
ON PARIS.—	
Bank Bills, on demand	223½
Credits 4 months' sight	227½
ON GERMANY.—	
On demand	181½
ON NEW YORK.—	
Bank Bills, on demand	43½
Credits, 60 days' sight	44½
ON BOMBAY.—	
Telegraphic Transfer	133½
Bank, on demand	133½
ON CALCUTTA.—	
Telegraphic Transfer	133½
Bank on demand	133½
ON SHANGHAI.—	
Bank, at sight	74½
Private, 30 days' sight	75½
ON YOKOHAMA.—	
On demand	86½
ON MANILA.—	
On demand	87½
ON SINGAPORE.—	
On demand	75½
ON BATAVIA.—	
On demand	106½
ON HAI PHONG.—	
On demand	8½ p.o. pm.
ON SAIGON.—	
On demand	8½ p.o. pm.
ON BANGKOK.—	
On demand	84½
FOREIGN, Bank's Buying Rate	\$11.15
GOLD LEAF 100 fine, per tola	\$58.10
BAR SILVER, per tola	24½

TONNAGE.

HONGKONG, 25th June.—There is very little demand for tonnage from the Rice ports, but coal freights keep very firm. From Saigon to this, regular liners are booking small parcels at 9/10 cents per picul; to Philippines, 23½ cents/25 cents paid for medium sized carriers; to North Coast Java, 18 cents last; to South Coast Japan, 20 cents per picul. From Newchwang to Canton, 24 cents last and no further demand at the moment. From Phonpenh to Manila, a small carrier got a lump sum rate of \$3,200 for cattle. Coal:—From South Japan Coal port to Hongkong, \$2.10 last and offering for small carriers and \$2.00 for large; to Singapore, \$2.75; to Manila, \$3.00; Canton, \$2.60 last and \$2.40 offering.

SHIPPING.

ARRIVALS AND DEPARTURES SINCE LAST MAIL.

June:—

ARRIVALS.

- 18, Tacoma Maru, Jap. str., from Moji.
- 19, Clara Jepsen, Ger. str., from Wakamatsu.
- 19, Cambysea, British str., from New York.
- 19, Dardanus, British str., from Yokohama.
- 19, Fausang, British str., from Saigon.
- 19, Glenogle, British str., from Amoy.
- 19, J. Diederichsen, Ger. str., from Hoihow.
- 19, Johanne, German str., from Swatow.
- 19, Senegambia, German str., from Foochow.
- 19, Soshu Maru, Jap. str., from Swatow.
- 19, Yingchow, British str., from Shanghai.
- 20, Benmohr, British str., from Moji.
- 20, Empire, British str., from Kobe.
- 20, Frithjof, Nor. str., from Wuhu.
- 20, Haiching, British str., from Coast Ports.
- 20, Haldia, Nor. str., from Bangkok.
- 20, Hongkong, French str., from Hoihow.
- 20, Inaeran, British str., from Continent.
- 20, Keongwai, German str., from Bangkok.
- 20, Pathan, British str., from Keelung.
- 20, Suimow, German str., from Borneo.
- 20, Sydney, French str., from Shanghai.
- 21, Armand Behic, Fr. str., from Marseilles.
- 21, A. Apar, British str., from Moji.
- 21, Benvorlich, British str., from Singapore.
- 21, Cheongshing, Br. str., from Tientsin.
- 21, Drufer, Nor. str., from Swatow.
- 21, Fukui Maru, Jap. str., from Moji.
- 21, Korea, Am. str., from San Francisco.
- 21, Kwanglee, Chinese str., from Shanghai.
- 21, Mathilde, German str., from Hoihow.
- 21, Rubi, British str., from Manila.
- 21, Sado Maru, Jap. str., from Shanghai.
- 22, Derwent, British str., from Saigon.
- 22, Haimun, British str., from Swatow.
- 22, Hopsang, British str., from Java.
- 22, Kaifuku Maru, Jap. str., from Moji.
- 22, Kwongsang, British str., from Shanghai.
- 22, Laertes, British str., from Saigon.
- 22, Lightning, British str., from Singapore.
- 22, Samsen, German str., from Bangkok.
- 22, Segovia, German str., from Hamburg.
- 22, Taiwan, British str., from Chefoo.
- 22, Tango Maru, Jap. str., from Seattle.
- 23, Assaye, British str., from London.
- 23, Chenam, British str., from Shanghai.
- 23, Haitan, British str., from Swatow.
- 23, Kehsichang, German str., from Bangkok.
- 23, Loongsang, British str., from Manila.
- 23, Nippon, Swedish str., from Yokohama.
- 23, Tjipanas, Dutch str., from Billiton.
- 24, Awa Maru, Jap. str., from London.
- 24, Changchow, Br. str., from Chinwangtao.
- 24, Empress of China, Br. str., from Vancouver.
- 24, Hongbee, Br. str., from Singapore.
- 24, Itsukushima Maru, Jap. str., from Moji.
- 24, Welsh Prince, Br. str., from New York.

DEPARTURES.

- 19, Daijin Maru, Japanese str., for Swatow.
- 19, Dakotah, British str., for Moji.
- 19, Fukura Maru, Jap. str., for Wakamatsu.
- 19, Japan, British str., for Shanghai.
- 19, Knivsberg, German str., for Haiphong.
- 19, Kumsang, British str., for Singapore.
- 19, Mandal, Norwegian str., for Wakamatsu.
- 19, Persia, Austrian str., for Shanghai.
- 19, Tenyo Maru, Japanese str., for Shanghai.
- 19, Tsintau, German str., for Bangkok.
- 19, Victoria, Swedish str., for Haiphong.
- 19, Waishing, British str., for Shanghai.
- 19, Zafiro, British str., for Manila.
- 20, Choising, German str., for Bangkok.
- 20, Choshun Maru, Japanese str., for Swatow.
- 20, Daigi Maru, Jap. str., for Swatow.
- 20, Haimun, British str., for Swatow.
- 20, Haliolis, Dutch str., for Singapore.

- 20, Helene, German str., for Hoihow.
- 20, Linan, British str., for Shanghai.
- 20, Mandasan Maru, Japanese str., for Miike.
- 20, Senegambia, German str., for Singapore.
- 20, Shantung, German str., for Hongay.
- 21, Armand Behic, French str., Shanghai.
- 21, Dardanus, British str., for Singapore.
- 22, Canton, British str., for Hongay.
- 22, Childar, Norwegian str., for Bangkok.
- 22, Choyang, British str., for Shanghai.
- 22, Haiching, British str., for Swatow.
- 22, Inveran, British str., for Batavia.
- 22, Kweiyang, British str., for Shanghai.
- 22, Landrat Scheiff, Ger. str., for Bangkok.
- 22, Pitsanulek, German str., for Bangkok.
- 22, Shinano Maru, Jap. str., for Moji.
- 22, Sydney, French str., for Europe, &c.
- 23, Kutsang, British str., for Singapore.
- 23, Mathilde, Ger. str., for Swatow.
- 23, Pathan, British str., for Singapore.
- 23, Sado Maru, Jap. str., for Singapore.
- 23, Segovia, Ger. str., for Dalny.
- 23, Tean, British str., for Manila.
- 24, Assaye, British str., for Shanghai.
- 24, Benvorlich, British str., for Nagasaki.
- 24, Chiyeun, Chinese str., for Shanghai.
- 24, Empire, Brit. str., for Australian Ports.
- 24, Germania, German str., for Chinkiang.
- 24, Haimun, British str., for Swatow.
- 24, Hongkong, French str., for Hoihow.
- 24, Johanne, German str., for Haiphong.
- 24, Signal, Ger. str., for Hoihow.
- 24, Soshu Maru, Japanese str., for Swatow.
- 24, Tjipanas, Dutch str., for Singapore.
- 24, Tungshing, British str., for Shanghai.
- 24, Yingchow, British str., for Shanghai.

PASSENGERS.

ARRIVED.

- Per *Yingchow*, from Shanghai, Mr Lorji.
- Per *Kwongang*, from Swatow, Mr Shornton.
- Per *Lightning*, from Singapore, Messrs Apar, Furly, Yule and Niblock.
- Per *Arratoon Apar*, from Japan, Rev. E. Vaughan, Major Phillips and Mr O. C. Ormsly.
- Per *Cheongshing*, from Tientsin ports, Mr and Mrs Cole, Mr and Miss Barton and Mrs Seaton.
- Per *Rubi*, from Manila, Mrs H. P. Thompson and infant, Miss M. J. Burdett, Messrs T. C. Norman and G. Morro.
- Per *Awa Maru*, from London, &c., Mr and Mrs R. A. Ramsay, Messrs C. Humphreys, L. A. Goldsmith and F. Kodera.
- Per *Empress of China*, for Hongkong, from Vancouver, B.C., Mr Edmond Hayes; from Yokohama, Mr C. D. Mahalumivala; from Nagasaki, Mrs J. Middleton; from Shanghai, Mr Ozario.
- Per *Armand Behic*, for Hongkong, from Marseilles, Mr G. Escande; from Singapore, Messrs Fleming Ceshire, P. F. Brangan and A. Makovich; from Saigon, Mrs Lili, Mrs Lerney, Mrs Benzani, Mrs Steinbeny, (2), Rev. Garignol, Messrs Minami, J. A. Tarrant, Massoni, Bernard and Calenye.
- Per *Sydney*, for Hongkong, from Yokohama, Messrs Benam, Scott and Wolfe; from Shanghai, Mr & Mrs Bertrand, Mr and Mrs Cochirus and boy, Mr and Mrs Davies Heller, Messrs Esterer, Franlet and boy, Becker, Kirndoefer and boy, Fitcher and boy, Brodie Clarke and boy, Igles and boy, Retun, Esick, Rabanine, Renbey and Arnaud.
- Per *Empire*, from Japan, &c., for Hongkong, Capt. Holm and Mrs Shekury's family; for Sydney, Mr and Mrs Shekury and 2 infants; Mr and Mrs Adler, Mrs E. K. Chandler, Mrs Campbell and boy, Misses Shekury, V. Murray, Duval and Perks (3), Messrs W. J. Reid, H. N. Weinberg, W. Bethune, P. Sunderland and J. S. Ponder; for Melbourne, Mr, Mrs and Miss H. J. Such, Dr. and Mrs Dennis.
- Per *Assaye*, for Hongkong, from London, Mrs R. Pole and Miss Stephen; from Gibraltar, General Machado and Capt. Norton sec.; from Marseilles, Mr and Mrs Lyons, Consul Cinatti and Mr G. C. Moxon; from Bombay, Mr F. A. Hassimani; from Singapore, Mr Kartewing; from Marseilles, for Manila, Mr L. Dyson; for Shanghai, from London, Mr S. R. Pickering; from Marseilles, Mr and Mrs Adamson; from Bombay, Mrs Cunningham; and Mr R. S. Kermani; from Penang, Mr & Mrs Ramsden; from ingapors, Messrs F. H. Henderson and R. Gartner; from Port Said, for Yokohama, Misses G. Dubois, C. Buorracaine & L. Dubois, and Mr L. Dubisson.

Per *Chenam*, from Shanghai, Mr R. Arndt.
Per *Haitan*, from Swatow, Messrs J. Clark and G. S. Cruickshank.

Per *Haimun*, from Swatow, Rev. Father Echy, Messrs Mansun, and S. Munimura.

Per *Haiching*, from Coast Ports, Mrs Churchill, Misses Little and Randall, Messrs Swift, Knight, Choppand and Devenzier.

Per *Sado Maru*, from Japan, &c., Messrs P. Pakamichi, A. A. Clostons, E. A. Smith, Paget, Setaunosuke Akiyama, J. Agustin, A. Puosana and A. Pranoff.

Per *Tango Maru*, from Seattle, &c., Mr and Mrs Gorbald, Mrs and Miss J. Raymond, Mrs A. H. Burton, Messrs A. J. Israel, J. T. Cravens, S. Ochi, B. Nagamatsu and K. Konagai.

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DEPARTED.

Per *Shinano Maru*, for Seattle, &c., Messrs J. MacMillar, D. E. Clark, C. Mihara, Louis K. Holt and Alfred K. Young.

Per *Zafiro*, for Manila, Mrs Tuazon and family, Mrs Rarmeyer, Miss Barin, Capt. C. A. Geddes, Messrs L. V. Langstein, A. Trinidad, D. Cavallo, Lucia Santos, T. Shebby, J. Hand and S. Neilson.

Per *Armand Behic*, for Shanghai, &c., Mr and Mrs N. L. Railton, Mrs E. Bernhim, Mrs P. Grunbey, Mrs Govet, Miss Ruly Collins, Revs. Sup. Maria Marceline, Sr. Maria Marceline and Fr. L. France, Messrs H. H. Kenagy, Bribosia, D. D. Kanga, H. Dorfman, J. W. Barnes, R. S. Brown, Gopaladas and Hasamall.

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Per *Empire*, for Australian Ports, Mr and Mrs Adler, Mr and Mrs H. J. Such, Dr. and Mrs A. A. Denis, Mr and Miss Barnett, Mrs and Miss Shekury & 2 children, Mrs Campbell, Misses Duval, Little, V. Murray, Perks, C. Perks, M. Perks, Randall and Francis Such, Master W. Campbell, Messrs W. Bethune, B. A. Clarke, C. E. Fogitt, A. O. Lang, H. Newbold, J. S. Ponder, W. J. Reid, G. J. Shekury, P. Sutherland, A. Tolosana, Egerton Warburton and H. N. Wienberg.

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